The China Weekly REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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CONTRIBUTING EDITORS

C. Y. W. MENG — S. Y. LEUNG

C. Y. HSIEH — PAUL K. WHANG

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FOREIGN OVERLORDSHIP IN AFRICA—AND IN CHINA

WE call the attention of our readers, and particularly Chinese, to the article in another column entitled "Inter-Racial Relations in the South Africa Union," re-printed from a high-class journal in Bulawayo, Southern Rhodesia. It deals with the cruel and unjust treatment meted out to the natives of South Africa by the white masters of the country. Matters could never have come to such a pass in China as they have in South Africa, because the Chinese have a background of education and culture which the natives of South Africa do not possess. But should the "Break-up of China," which Lord Charles Beresford wrote about 35 years ago, ever have become a reality, and China had become a mere vassal of various European powers—in which event there would naturally have been a great influx of Europeans, in whose hands the administrative powers would have been invested (naturally with special privileges for the "ruling class")—it would have been quite within the bounds of possibility that the natives of this country would have been placed in a subordinate position and subject to indignities somewhat resembling those which the natives of South Africa have to bear. Luckily for China, and thanks to a very large extent to the work of that great American statesmen, John Hay,—who with his doctrine of the "Open Door" got the cooperation of the other powers to maintain the integrity of China—this country has had nothing more humiliating to contend with than the comparatively mild restrictions of the extraterritorial priciple, and that is gradually being eliminated. Several years age the then ruling Chinese officials, pushed on by a vociferous but in many ways impraticable student class, were intent on bringing extraterritoriality to an end by what might be termed "shock" methods, but, due to various causes, these have been largely abandoned, and to-day China is, and in our opinion wisely, following the old Roman adage of *"Festina lente"*—more in accord with the sedate character of this ancient land—and with more prospects of final and lasting success.

SEARS-ROEBUCK DECIDES TO GO IN FOR FOREIGN TRADE

AMONG the many institutions for which Chicago is famous are the two great mail order houses, Montgomery Ward & Co., and Sears, Roebuck & Co. For many years there has been an agreement between them that they would not compete with each other in the foreign field, the business outside of the United States being left to Montgomery-Ward. Some years back said Chicago mail order house did an enormous business in China; but, due to various causes, its business in this country is inconsequential at this time. In the old days, before the Chinese themselves opened up large department stores, when duties were comparatively low, and when special freight arrangements between Chicago and China were possible, the warehouses at Pootung were filled with the goods of this Chicago house, destined for people in all parts of this country. The Chicago, Milwaukee & St Paul railway had an arrangement with the Osaka Shosen Kaisha by which freight was carried at a comparatively cheap rate on a through-traffic weight basis, regardless of measurement, so that even buying in Chicago at prices which were practically retail prices, customers in China could buy in Chicago and secure their goods at cheaper prices than they could buy them here in China. Those favorable conditions have now, to a large extent, disappeared. The subject becomes of interest at this time, owing to the announcement from Chicago that Sears-Roebuck, breaking away from the former tradition, have now decided also to enter the foreign field. Whether they will be able to recapture some of the trade in China that in former years which went to Montgomery-Ward remains to be seen. Present conditions may make that impossible. But if they can we venture to say that their business in no foreign country will exceed that which they will get from China.

DR. ALFRED SZE DISCUSSES RECONSTRUCTION IN CHINA

DR. SAO-KE Alfred Sze, the Chinese Minister to the United States, in an address before the American Academy of Political and Social Science at Philadelphia, Nov. 27, on "Reconstruction in China" covered ground which is already fairly well known to people in this country, and particularly to the readers of this journal, but generally not appreciated in the United States and in other foreign countries. Dr. Sze in the course of his speech said:—"Nowhere else in the world, unless possibly in Turkey, are there such profound changes taking place in all departments of national life, as are to be observed in China. In the report of the Commission sent out to the Far East in 1932 by the League of Nations—the so-called Lytton Commission—we find it declared (I quote): 'The dominating factor in China is the modernization of the nation which is slowly taking place. China today is a nation in evolution, showing evidence of transition in all aspects of national life.' The only emendation I would be disposed to make with regard to this statement is the use of the word 'slowly.' The words 'slow' and 'rapid' have, of course, significance only with regard to some predicated standard. Considering the rate at which evolutionary processes in the life of a numerous people may be expected to proceed, I myself would describe the developments taking place in China as exceptionally rapid." To all of which we say, Aye; as also to the following excerpt from Dr. Sze's remarks: "The developments now going forward in China bear evidence to the fact that there resides in the Chinese people a vital energy, which, because so often latent in the past, occasions surprise when it is made manifest, just as, in Shanghai, in 1932, the power of ill-equipped Chinese soldiers to defend their native soil exceeded all the expectations of the Japanese invaders."

JAPANESE DEFY NANKING CENSORS ON MOVIE CENSORSHIP

(Extract from an article in the "China Press" by A. H. Buchman)

THE Nanking censors have no jurisdiction over cinema films as far as censorship goes in either the Settlement or French Concession and hence technically their say-so is not required. In practice, however, it is different, and every picture (with one exception) shown in the Settlement and the Concession has been censored by Nanking. For should a local theater show a film without Nanking approval, pressure can be brought by Nanking through newspapers who will be instructed not to take the theater's advertisements. This happened in practice when a local theater recently ran a film without Nanking censorship and was later confronted with a united front by Chinese newspapers who refused advertisements. In addition, a fine can be and usually is declared by Nanking on the exhibitor. Should he refuse to pay, his films cannot be screened outside of the concession in China.

The exception to pictures being censored by Nanking is that of Japanese films. The Japanese have refused to fall in step with other nationals as regards Nanking censorship of their films. However, their films are censored by Settlement and Frenchtown authorities.

A CHANGED WORLD

(Extract from an Editorial in the Japan Chronicle, Dec. 17)

AT the present time, when we are all so anxious for a "planned economy" for a "managed currency," it is not that we have greater or more comprehensive ideas than before. The real explanation of our planning and ordering and managing is that we are only too conscious that things are off the traditional rails and we are striving to get them back again. We go in for protection in the hope of getting free trade again; passports are only required until the world shall be quiet and secure again; we abandon personal freedom only that freedom may be re-established; we go off gold only as a means of getting on again more securely than before; we make divorce easier in order to bring marriage into higher repute; we limit the family the better to integrate family life according to tradition. Our reforms and our surrenders, in short, look back much more than they look forward.

After Socialism

In France, in the middle of the nineteenth century, we had what you would call a Socialist revolution. After a few months we had Louis Napoleon. Italy went, after the World War came to an end, through something which again you might call a Socialist revolution; the result was Mussolini. In Germany, the Socialists practically ruled the country for ten years; and the result was Hitler.—*By Elie Halevy, French Historian and Educator, in "International Affairs," London.*

Japan's Plans for Canal Across Siam Mentioned in New York Newspaper

The New York *World Telegram* Dec. 12 published a report taking up again the question of Japan's plans for construction of a canal across the Siamese part of the Malayan Peninsula, in the Isthmus of Kra. The report says that Japan is now conducting secret negotiations with the government of Siam for the digging of the canal, which would be only 19 miles long and would enable the Japanese fleet to avoid, in case of need, the passing of the British naval base at Singapore.

Heroic Missionaries---The Right Spirit

THERE may be a certain amount of logic in the opinion frequently expressed by "men of the world" that the missionaries to China could find just as fruitful fields for their endeavors in their respective home countries, and that it would not be necessary for them to come thousands of miles to some foreign country to find sufficient sinners to convert to keep them occupied just as thoroughly as they are here in China. The statement is sometimes made that one of the actuating motives for Christian workers desiring to come to a country like China is that there is a sort of glamor about coming out here and that to select this part of the world as the scene of their lifework is not really as great a sacrifice as it would have been to chose, say, the slums of one of America's great cities with its huge poor and ignorant population as the field of their endeavors. That comparison may have been true some years back, but it certainly is not true of a great portion of this country to-day. The missionary who enters the interior of this country—or at least many parts of it—to-day does so at the risk of his liberty and his life in a degree for which there is no comparison in the vilest of slums in the United States. To be a missionary under existing circumstances requires heroism—a standard to which many of the missionaries, unfortunately for their cause, in times past have not lived up to in times of crisis. But if we are to have missionaries in this country, it is to be hoped that they may be of the same heroic fibre as were the late Rev. John C. Stam and his wife Elizabeth Stam. They were comparatively newly-joined members of the China Inland Mission. Mr. Stam was a native of New Jersey and his wife was the daughter of Dr. and Mrs. C. E. Scott of the American Presbyterian Mission in Tsinan, Shantung province. In a letter written to the Rev. G. W. Gibb, of the China Inland Mission headquarters in Shanghai, the late Rev. Stam, evidently with a premonition that his life would be forfeit, wrote among other things, "May God be glorified, whether by life or by death." There is some doubt on the point as to whether the captors of the Stams were looking for ransom money. But ransom money, or no ransom money, it is evident that their captors were determined to kill them. Dr. Gibb also strikes us as a model for other missionaary officials in handling similar cases in future—callous as such an attitude may seem. Dr. Gibb bluntly declared that no ranson money could, under any circumstances, have been paid, for to do so—as must be perfectly obvious—would be merely to encourage further depredations. "Were we to pay, or even attempt to pay the ransom demands of Communist-bandits, not one single missionary's life in all China would be safe," Dr. Gibb quite rightly declared.

Recent portraits of Mr. and Mrs. John C. Stam, the two heroic American missionaries, who were murdered by Communists after the capture of Tsingteh, Anhwei. Reports state that the couple were publicly beheaded.

Murdered Bodies Found in Tsingteh Region

The murdered bodies of Mr. and Mrs. J. C. Stam were found 40 li from Tsingteh, where they were captured by bandits. Previous to the discovery, Willis R. Peck, Counsellor of the American Legation (resident in Nanking) called on the Foreign Office and the officials of the Anhwei Provincial Government to request them to take all possible steps to secure the release of the prisoners.

Chinese Communists Initiate Campaign Against Foreigners

Execution of the Rev. John C. Stam and his wife, Mrs. Elizabeth Stam, was the first move by Chinese communists in a campaign of death against all foreigners, a *United Press* message from Wuhu, Dec. 16 stated. Details of the martyred American missionaries reaching the China Inland Mission revealed that the "Reds" on Dec. 8 issued a proclamation announcing that the Stams must die as an example to other "foreign devils."

"Foreigners injure China and help the Government to open up roads," this proclamation said. "Foreigners make trouble for China with other countries." "No ransom is wanted," it was stated in the proclamation, belying reports immediately following the capture of the missionaries in the sudden raid on Tsingteh, southern Anhwei, that they were being held for a ransom of $20,000.

"Reds" Defeated by Liu Chen-huan, Invade Anhwei

A correspondent of the *Shanghai Evening Post* wrote from Wuhu, Dec. 15 as follows:

The identity of these communists seems to be pretty well established. The band consisted of some 3,000, under the command of Lo Bing-hui and Fang Chih-ming. Each soldier's uniform carried a red star and each coat collar had three red stripes. They talked with some of the villagers who learned that they had come from Kiangsi, when repulsed there by the suppression campaign. They had come into Anhwei a month ago and had been defeated in battle with troops of the Provincial Chairman, Liu Chen-huan, near Tunki on the Nanking-Nanchang motor road.

They then retreated into Chekiang and by a circuitous route through the mountainous country of Kaihwa, Shunan, and

Changhwa, they again entered Anhwei at Chiki, which they found less well protected than other points. Another day's march brought them to Tsingteh—and then followed the Stam tragedy.

Hope to Involve General Chiang with Foreign Powers

Preceding the brutal murder of the foreign captives these Reds proclaimed to the populace that remained that they had no intention of holding them for ransom whatsoever. They had been driven from their lair in Kiangsi by General Chiang Kai-shek and they proposed to kill these helpless foreigners in order that they might involve General Chiang with foreign governments.

They shouted that they were the real saviors of the country, the "Red-Northern-Campaign-Anti-Japanese-Communist Army!" The villagers got the impression that their ranks were largely made up of 16 and 17-year-old boys, augmented by the rowdies released from local prisons along the way, the latter being impressed into doing most of the dirty work.

A Heroic Chinese Evangelist

But for the heroism of a Chinese evangelist, the Reverend Mr. Lo, baby Helen Stam, three-month-old daughter of the murdered couple, might have shared the terrible fate of her parents, who were publicly put to death by the sword. In some manner not yet clear, the Stams succeeded in hiding the baby in a deserted house at Miaoshao. Wrapping the child warmly in garments of her own, Mrs. Stam before she and her husband started on their brave march to the execution ground pinned a $10 bill inside Helen's clothing for the rescuer.

After rescuing the baby, Evangelist Lo made inquiries concerning the parents, and himself dared to pass through the line of government troops to the little hill outside the village where the tragedy had occurred. The rearguard of the communists at that time was not more than three miles away.

He found the bodies at the place designated, identified them as his friends, returned to the village for help, and had them encoffined and buried before bringing the baby on its long journey to Wuhu.

Baby Helen Priscilla was born three months ago in the Wuhu General Hospital, by Caesarean section, with Dr. Hyla S. Watters as surgeon in attendance. She was taken care of in the home of Mr. and Mrs. Nathan E. Walton of the China Inland Mission, awaiting the arrival of her grandparents, Dr. and Mrs. Charles E. Scott, of the Presbyterian Mission, in Tsinan, Shantung.

General Liu Chen-huan Continues Operations

General Liu Chen-huan left Chih-teh after receipt of the news from Tsingteh and passed through Wuhu on his way to Hsuan Chen (Ningkwofu) from which place he is directing further operations against these menacing Communist bands in South Anhwei.

An investigation into the murder of Mr. and Mrs. Stam is being carried out by Willys R. Peck, American consul-general, and Douglas Jenkins, Jr., vice-consul. Mr. and Mrs. Stam were connected with the China Inland Mission. They were captured by communist-bandits on December 6 while en route to their station at Tsingteh from Wuhu.

Japanese Naval Men Detain American Reporter-Photographer in Shanghai

THE matter of the activities of the Japanese Naval Landing Party in the district to the North of Shanghai again came up in an acute form end of last week when A. H. Buchman, a reporter-photographer employed by the *China Press* was held in the barracks off North Szechuen Road extension for two and three-quarter hours because he insisted on taking photographs which the Japanese Naval men insisted he had no right to take. The point at issue was whether a person, not subject to Japanese jurisdiction, could take photographs while he was standing on a Municipal Road, even though the view might include something beyond the road which the Japanese did not want photographed. The particular thing that the Japanese objected to having photographed were the movements of their military maneuvers opposite the Japanese barracks and also the entry of the armored cars into their sheds, which would naturally include a view of their interior. Buchman was kept at the barracks because he insisted on holding on to the pictures he had snapped of the maneuvers on the repeated contention that he was within his rights in taking them. His release at 2 p.m. came after Edward L. Faupel, United States marshal, who had been called into the case, had (according to the account in the *China Press*) searched Buchman and handed the films over to the Japanese military against Buchman's protest. The Japanese Naval Landing Party in a statement on the incident contended that the taking of photographs of the interior of the sheds in prohibited because the interior of the sheds is regarded as a military secret. Part of the films were later returned to Mr. Buchman.

All reports agree that the Japanese Naval officials and also the Japanese Consular authorities who had been called to the scene were courteous in their treatment of Mr. Buchman, who is an American citizen, but they nevertheless firmly maintained their position that no one could take photographs of the Naval men's movements without first getting a permit. This, they point out, is the case in Japan.

Mr. Buchman in a protest to Edward S. Cunningham, American Consul General, among other things said:—

> "I wish to enter an emphatic protest against the action of the Japanese Naval authorities in illegally arresting me and detaining me for two and a half hours, and request that this protest be sent to the appropriate quarter if it is not within your prerogative to deal with it. This arrest and detention, it should be noted, occurred on an extra-Settlement road in Chinese territory. I shall feel obliged if you will take official cognizance of these complaints and inform me, in writing, what action has been taken to secure restitution and to ensure that I will be duly protected in the future against the possibility of a recurrence of such wholly arbitrary and illegal acts, both on the part of the Japanese and the American authorities."

⁂

The object of the Japanese naval men here, as of all foreign units, is or should be, to help to preserve the peace. Just what objection the Japanese Naval people can have to photographs being taken of their movements, if they have no other object than to keep the peace, is hard to see. The fact that they are so "touchy" on the subject of allowing photographs to be taken naturally raises the suspicion that they may be preparing some action out of keeping with the purely routine character of their duties.

The *North China Daily News* (British) made the following pertinent comment in this connection:—

> It seems, however, desirable that they (the Japanese) should consider whether the result is really satisfactory to their nation. In effect the liberty of a citizen has been plainly breached in order to prevent the undue exploitation of the doctrine of force. Great pains were

taken to put their action in the most favorable light. Special emphasis was laid on their courtesy to the point of glossing over the undoubted fact that Mr. Buchman was practically compelled to enter their barracks and, if not forcibly detained, was at least constrained to remain by the device of withholding from him what was his personal property. It is necessary to elaborate these points, for otherwise there is danger that the principle on which the Japanese authorities appear to have acted will be accepted by default of contradiction.

⁂

THERE is natural indignation in the local American community, which is also shared by all other nationals enjoying extraterritorial rights, that an American citizen, who had not committed any offense that his own authorities could hold him for, should be taken into custody by a Japanese naval officer—being pushed off a road under foreign jurisdiction and taken into a building over which the Japanese flag flies. There has also been considerable criticism of Mr. Faupel, the marshal of the U. S. Court for China, because of his action in the matter. There is, however, a much broader aspect to the whole affair than has been commented on locally so far. The important point in the handling of an incident of this sort is not what action any particular local official may take, but what the attitude of the U. S. Government at Washington may be. Let us turn our thoughts back to a little more than three years—namely to the descent on Mukden and the subsequent occupation of the whole of Manchuria by the Japanese Army. By her actions in that respect, Japan violated several international agreements, to which the United States was a party. The then Secretary of State, Henry L. Stimson, made protests to Japan almost pontifical in tone—to which the Japanese paid no attention whatever. What did America, or any other Power that was concerned, do of a practical nature in regard to the matter? We all know the answer: Nothing!

Is it therefore to be supposed that if the American Government, in the very much larger issue of Manchuria, took no practical action, that it will take any practical action concerning an incident which took place on a road outside of the Foreign Settlement,—negotiations for the transfer of the policing of which to the Chinese are now pending—concerning a man, who while admittedly within his technical legal rights, had (to quote Consul General Cunningham's opinion) "made himself offensive?"

⁂

This comparatively minor incident is but one of many that have occurred during recent years which have demonstrated the Japanese spirit of indifference to other people's rights. Bumptiousness is an ingrained characteristic of the Japanese and the fact that they have been "getting away" with almost everything they have tried in recent years has naturally increased the tendency to exhibit an air of complacent assurance. This minor incident is but one of many which Americans will chalk up to Japan's debit, and doubtless the time for retribution will arrive in due course. Japanese diplomats are prone to compare Japan's position with that of Germany's before the war. There is also a comparison with Germany during the war to be made that is apt in this connection. Woodrow Wilson became known as the world's champion writer of protests. The British comic papers cartooned and lampooned him because of it. But the protests to Germany were merely the prelude to eventual effective action. That is a comparison that the Japanese—naval men included—might bear in mind with profit.

THE GIST OF JAPANESE PRESS OPINION

It is gratifying to know that the possibilities of the ending of the treaty is gradually changing American public opinion. It is not the treaty—but absence of proper understanding that menaces international relations.—*Tokyo Asahi.*

The American-Japanese difference in regard to the principle of disarmament seems to be fundamental: America opines that disparity of armament is essential to her sense of national security whereas Japan believes to the contrary. But this disparity lies in principle only and cannot impair the two Powers' relations if it causes breach of the pourparler.—*Osaka Asashi.*

Now that Japan has definitely decided on the termination of the Washington Pact, it behooves her to strive for the conclusion of a new agreement in its place. It would be meaningless for Japan, to seek a new agreement at the sacrifice of her basic policy, but she must be expected to attain the aim in view by some expedient mean.—*Osaka Asahi.*

Nothing can be more out of place than the recent Anglo-American protest against the Japanese and Manchu oil control acts. Oil constitutes such a necessity of life to modern States that many a Power has national control over its resources and sales. Manchukuo and Japan have only done what others are doing.—*Tokyo Hochi.*

The C.E.R. negotiations, which have been at a standstill, promise now to witness a satisfactory conclusion because Japan has at last complied with the Soviet request for guaranteeing Manchukuo's payment of the C.E.R. price. This is quite a matter for congratulations since solution of the C.E.R. issue is to mark the beginning of Soviet-Japan understanding.—*Tokyo Asahi.*

The patience and sincerity on the part of Japan and Manchukuo seem now to bring the prolonged C.E.R. negotiations to an agreement. This will prove to the advantage of both Manchukuo and the Soviet Union, and it will surely facilitate the beginning of friendly diplomatic intercourse between Russia and Japanese Empire.—*Tokyo Jiji*

It is little wonder that the socalled international spies should be growing active here as Japan's position in the international community rises. Only it is desirable that such activities may be made as cleverly as possible. As for those Japanese women who are apt to fall an easy prey to such spies, the present instance is a warning.—*Tokyo Nichi Nichi.*

The alleged miscarriage of justice in the court examination of the accused which was made the subject of interpellation in the Diet may be groundless, as the Justice Minister assured. But the very fact that such misunderstanding—if it is a misunderstanding at all—obtains currency among people at large deserves the Minister's consideration.—*Tokyo Yomiuri.*

The economic prosperities now prevalent are on the downward trend, and the general situation calls for particular precautions on the part of bankers. In the past years economic crisis could be saved by means of loans, but this measure is no longer available.—*Osaka Asahi.*

The foreign trade returns of the country during the current year completely contradict the pessimistic views expressed in some sections of the public. All the items of export and import show a marked advance with only the exception of raw silk.—*Tokyo Jiji.*

The money market has become slack, thereby rendering the condition very favorable for flotation of loans and debentures. The inevitable consequence must be a further decline of interest rates. Whether this tendency may be left alone depends on the Government policy.—*Tokyo Chugai.*

Both the message of the Finance Minister and the address of the Governor of the Bank of Japan read before the recent Kwansai Bankers' Assembly held in Osaka, were disappointing. For they suggested nothing definite as to Japan's own policy though they were more or less exhaustive in explaining the economic and exchange market situation at home and abroad. —*Tokyo Nichi Nichi.*

"Shock" Methods Show Military Nature of Trans-Siberian Railway Double-Tracking

(From the Review's Special Correspondent)

NOVO-SIBIRSK, Capital Western Siberia.—There is nothing more obvious than the military nature of the so-called "shock" methods which the Soviet authorities are using in the double-tracking of the Trans-Siberian railway. The job is a tremendous one, almost comparable to the original construction between 1891 and 1900, and one wonders whether the forced-labor methods used today differ greatly from the methods used in the days of the Czar.

The graft and inefficiency which accompanied the original construction has been fully exposed in a booklet published by the Soviet government. It says that the contractors supplied light rails when they were paid for heavy ones; that they built cheap frame stations instead of brick buildings; that they constructed wooden bridges in place of steel ones; that the entire railway practically had to be rebuilt at heavy expense because of the actions of the "swindling contractors." It is also charged that thousands of laborers employed on the original construction perished in the Siberian forests of marsh-fever, famine and typhoid.

The object of this booklet was to prove that present "socialistic" methods of construction are superior to those used in the "dark ages" of the preceding administration.

There apparently is no questioning the fact that the government is getting better materials today, for all bridges are of steel-concrete construction and the new rails are coming from the modern rolling mills in the Kuznets district to the southeast of this city. The ties come from the forests which have not been pushed back many yards from the railway embankments. As to the methods used there has been little if any improvement from the days when the "swindling" contractors exploited private labor under the Czar. True, the contractors have been eliminated and the work is now being handled directly by the government, but it is still largely a primitive pick-and-shovel and wheelbarrow job with men, and in many instances, also women, working up to their knees in mud and for a considerable portion of the way, also in snow and slush. Clothing is scanty and in many instances the writer observed men and women working practically bare-footed in mud that did not appear much above the freezing point. It was late September and an overcoat was necessary when emerging from the train for a stroll on the station platforms.

Only a Few Labor-Saving Devices

Only in a few instances did one observe labor-saving devices such as conveyors, power propelled dirt moving machinery, or even dump-cars being used. It is an almost continuous pick-and-shovel, back-breaking job and the governmental officials responsible for supplying the wheelbarrows should themselves be sent to Siberia to operate them. The barrows in use from one end of the line to the other were constructed of light pine boards with cast iron wheels not over six or eight inches in diameter. They resembled toy barrows that children use in wheeling sand at the seashore, except they were somewhat larger, more primitively constructed, and were unpainted.

Aside from the almost complete lack of labor-saving for this type of work in the Soviet Union, another possible reason for the apparent lack of interest in the welfare of this type of labor is due to the fact that a large percentage of these workers are classed as "criminals," which may mean genuine criminals or merely "class-enemies."

But while the government is proceeding on the theory that the end justifies the means, there is no questioning the fact that the job is proceeding; that it soon will be completed with the exception of the more difficult sections in the mountains about Lake Baikal. Here a tremendous amount of blasting granite to widen cuts and probably the construction of new tunnels is necessary. In many instances the engineers apparently have found it easier to construct an entirely new line located several hundred yards from the old embankments, rather than attempt the widening of deep cuts and embankments originally constructed for one track. Since a considerable portion of the work is of what the Russians term "shock" variety, another word for labor, which probably receives little more than food, shelter and clothing, the chances are that it is being performed at a minimum of expense to the government.

That it is a job of extraordinary proportions and is being pushed through with all possible speed under the stress of military necessity is most obvious. Just how much of the work has been completed and how much will remain unfinished when arctic weather descends upon much of this district cannot be determined, because the work is proceeding along the entire 4,500 miles of the main section of the railway from Sverdlovsk in the Urals to Vladivostok on the Pacific. From the environs of Vladivostok westward, up the Ussuri to Khabarovsk, around the Amur to Chita and thence up the steep grades to the Baikal plateau and extending westward through the never-ending forests or taiga to the rolling plains of the Urals and European Russia, the work is almost continuous and unless there is some unexpected political or social upheaval under the strain, it should soon be completed.

Double-Track Will Be Far from Modern

But the double-tracking of the Trans-Siberian will not make it a modern railway in the American sense. In the first place the rails, even on the sections where the second line has been completed, are too light and will not stand the strain of the heavy traffic it will have to bear in the industrialization of this vast region, not to mention the possibilities of a war with Japan. None of the trains, not even the international express, can be classed as super-streamlined "zephyrs," and by no possible stretch of the imagination can they be described as among the world's fastest or most comfortable. The tracks are about 4-inches wider than the American standard guage which gives an appearance of clumsiness to the freight cars and top-heaviness to the passenger coaches.

Train schedules are slow, with frequent long stops for coal and water supplies, the stops also providing the passengers and opportunity to purchase food and hot water for their tea at the stations. For most of the passengers the trip resembles a camping expedition for, excepting the first and second classes, practically everyone carries his own bedding and simple cooking and eating utensils. The tourist who crosses the entire country from Vladivostok through Moscow to Negoreloye on the Polish border must travel about 6,400 miles for more than double the distance from New York to San Francisco. It requires ten days and eleven nights to make the trip from the Pacific coast to the Soviet capital, probably the most tiresome and yet one of the most interesting and educative in the world. The railway passes through the world's last important frontier, probably double the size of the United States—a territory which, excepting the narrow strip along the railway, is just as primitive as the early American settlers found the Mississippi valley and the west three-quarters of a century ago. The towns along the railway might have been transported whole from an American west which existed between a half and three-quarters of a century ago. For a distance twice exceeding the width of the United States one will not find a town with a modern waterworks or sewage system or a building with an elevator; and sanitation is of Victorian character. There are no roads, only mere tracks through the forests or across the prairies, which become bottomless mudholes in the wet season and only are adaptable for motor traffic in the dry seasons of summer or midwinter. It is a country of infinite possibilities for peaceful agricultural and industrial development—or for war. Just now the indications point toward war for there is no stopping the Russian advance. It was the fear of this advance which caused the Japanese to move into Manchuria in 1931.

The present Soviet drive into Asia, which includes mass migration from European Russia, industrialization and red militarization of the vast Siberian territories is also of definite and direct interest to Americans. Primarily the Russians are interested in preventing the Japanese from advancing the boundaries of their Manchukuo empire into Far Eastern areas now controlled by the Soviets. But the Soviet "plan" in the Far East not only includes far-reaching development schemes along the Mongolian and Manchurian borders but includes the extension of the socialist system to the extreme borders of northeastern Asia—only 54 miles across Bering Strait from the American territory of Alaska.

Not that the Russians have any intention of extending their system across Bering Sea to the sparsely settled Alaskan territory, but it is of interest to know that they already have compiled a considerable literature containing the results of numerous investigations into the resources and possibilities of the lands bordering on the Asiatic side of the strait and lands to both south and north. Also, one finds numerous museums scattered about the country con-

taining specimens of mineral and animal products with much scientific date pertaining to possibilities for exploitation. Numerous teachers and missionaries have been sent to these regions to explain the Soviet cult to native inhabitants, the Guilyaks of Sakhalin Island and Kamchatka, cousins of the Alaskan Esquimaux, the Samoyeds, Ostyaks and Chukchas of the regions further north and of most importance to the Yakuts, most numerous Arctic tribe (300,000) which occupies a vast empire stretching westward from Bering Sea to the Lena river. This region has been organized into a Soviet "republic" known as Yakutia, with the capital at Yakutsk on the upper Lena River northeast of Lake Baikal, with which it is connected by a recently constructed road. Aside from the road which connects with Irkutsk on the Trans-Siberian, the Russians have established contact with these territories by sea from Vladivostok and by the northern route through the Arctic Ocean from the White and Kara seas of the northern European coast.

One Soviet icebreaker, the Cheluskin, sent from the White Sea through the Arctic to the Far East, met disaster in the ice floes north of Bering Strait last summer, where American aviators from Alaska assisted in the rescue of the survivors. But the Russians succeeded in sending another icebreaker, the Krassin entirely around from Kamchatka to Leningrad and in addition they have sent several others on expeditions into the Lena and other rivers which empty into the Arctic. Most of this area is marked off the Soviet maps as a forbidden zone for venturesome foreign tourists or explorers, one alleged reason being that they are establishing settlements at the mouths of these northern rivers and on the islands peopled by political prisoners or "class enemies." Another limited reason is that the Russians have discovered a reasonably safe northern sea passage to the Far East.

Of most importance, however, is a new railway called the Great Northern, which they claim to be constructing entirely across northern Asia and which they boast will ultimately be extended to Bering Sea. This road will reach the Sea of Okhotsk in the vicinity of Nikolaevsk at the mouth of the Amur and will be connected with the Trans-Siberian by a branch running up the Amur to Khabarovsk, capital of the Soviet Far Eastern province.

With the exception of northern Sakhalin Island, where there is a rapidly expanding oil development and coal mining industry, there has as yet been little actual development. They talk a great deal about supplying Far Eastern markets with timber from these regions and thus supplanting the Americans and Canadians in this trade. But their literature generally abounds in reports about unlimited supplies of gold, platinum, silver, quicksilver and other precious and semi-precious minerals, including copper, zinc and lead. Of the fisheries and fur resources there apparently are supplies equalled only by those on the American Alaskan and Aleutian island territories to the east.

The Soviet leaders have succeeded in stimulating an interest closely resembling religious enthusiasm in what they term the "socialization" of this frontier region. They have accomplished this by widespread propaganda particularly among the members of the Young Communist League and the Volunteers, youths of both sexes, extending up from the grades through high school to the universities. It also is of interest to learn that all of these tens of thousands of young Bolsheviks know all about Alaska, that the territory once belonged to Russia and that one of the late and "detested" czars made a very bad bargain when he sold it to the United States in 1867 for only $7,200,000.

J. B. P.

Increased Trade Turnover Reported from Soviet Russia

Tass state that the turnover of trade in the Soviet Union has greatly increased during the past two years, due to the great successes achieved in the production of agricultural products and general consumption commodities, as well as to the opening of many new shops. The largest provision store recently opened in Moscow serves daily from 30,000 to 60,000 customers. The trade of collective farms is also reported to be developing briskly.

Women in the Soviet Scheme of Things

The Soviet Union has 20,000 women inventors and 10,000 women engineers. Nine per cent of the administration staff in industry, 6 per cent of directors of government organs and trusts, and 31 per cent of scientific workers are women.

Ussuri Railways Asks C.E.R. to Pay Roubles 7,000,000

The Ussuri Railway has demanded from the Chinese Eastern Railway the settlement of a balance amounting to upwards of 2,000,000 roubles in the account of the special tariff arranged between the two railways, in view of the report that the Manchukuo-Soviet conference of the proposed transfer for the C.E.R. at Tokyo is approaching a successful end. The payment demanded by the Ussuri Railway represents what has been due from the C.E.R. since January, 1925.

World Revolt Not a Feature of Moscow Celebrations

The following description of the celebration in the Soviet Capital on Nov. 7 of the 17th anniversary of the Revolution was contributed to the New York Times by Harold Denny.

Moscow, Nov, 7.—Picked troops of the Red Army and a million toilers from the factories and farms of Moscow and the surrounding region marched through the historic Red Square today celebrating the seventeenth anniversary of the Bolshevist revolution.

In its show of tanks, big guns, bombing planes and other paraphernalia of mechanized war it was much like the other parades with which the Soviet Union has been demonstrating its military preparedness again this year. But today's procession moved to a new tune.

Gone was most of the truculence of other years. The old appeals to the proletariat of other lands to hurl down capitalism were almost entirely lacking from the banners and the proclamations and speeches of the leaders. The lampooning of individual capitalist countries in the effigies carried by workers' delegations was reduced to mild take-offs on German fascism and Japanese imperialism, as if since the Soviet Union has been recognized by the United States, admitted into the League of Nations and has formed close diplomatic ties with other countries, a ban had been placed against overly exuberant attacks on capitalism.

Emphasis on Soviet Defense

The emphasis today was on the internal upbuilding of the country and on defense against attacks from without. On the front of the old "traders row," across the square from the Kremlin, enormous red flags inscribed simply, "Workers of the World, Unite," in a half dozen languages, including English.

Today provided a visible demonstration of the new attitude toward the capitalistic world that has recently been becoming more and more apparent in Moscow. This is, that world revolution will come, but not in the way that was foreseen when bolshevism first entrenched itself here.

The new conception is that if war should break out between the Soviet Union and capitalist countries it would be on the initiative of the latter and that war for which the capitalist world seems to be feverishly preparing will result in the downfall of capitalist regimes and in the victory of the proletariat that had been expected to follow the World War. And so the role of communism would be not that of capitalism's executioner—for capitalism would commit suicide—but of its grave-digger.

This was the theme of today's celebration as evidenced in articles by leading Communist party spokesmen in the Soviet press and in the anniversary declaration by the executive committee of the Communist International.

Joseph Stalin stood from 10 o'clock this morning until the evening with other leaders watching the parade. His vigorous appearance and air of good humor belied recent rumors that he was ill.

Tonight for the first time since the revolution representatives of the bourgeois world were received en masse in the Kremlin, which as the nerve centre of this vast Socialist experiment is one of the most closely guarded areas in the world. Foreign diplomats and other prominent foreigners here, as well as prominent Soviet citizens, were greeted by President Kalinin in the white and gold magnificence of St. George's Hall in the great palace. M. Stalin, who eschews receptions, did not attend. Business suits were prescribed. Previous receptions had been held in the building that is now the residence of William C. Bullitt, United States Ambassador.

What Made Dr. Stoddard Change His Mind?

The author of the "Rising Tide of Color," Lothrop Stoddard, who formerly magnified the yellow peril idea and urged the white races to rise before it was too late and subjugate the Japanese, made a speech on Japan in Washington Dec. 14 in which he declared that it is Japan's right to expand in the East and that other nations have no right to interfere.

When the Censor Gets to Work

The Dec. 14 issue of the *Japan Chronicle* appeared with a column and a half of blank space where the editorial article usually appears. Above the space appeared this laconic comment: "We regret the delay in the issue of this number of the *Chronicle*, which occurred through no fault of our own; any further explanation appears unnecessary."

John B. Powell Gives Impressions of Soviet Russia

The following is the text of a speech delivered by John B. Powell, special correspondent of the "Chicago Tribune," at a recent weekly luncheon of the Tokyo Pan-Pacific Club, as reported by the "Osaka Mainichi."

Anyone who has made a trip across Russia, whether he has stopped in the country or not, is supposed to be able to answer a number of set questions immediately, and I think one of the first things people want to know is how far they have double-tracked the Trans-Siberian Railway. One man will say he knows exactly because he watched it out of the window, and another man will tell you he saw the double track 100 miles further on. But I think no one knows exactly, because the double-tracking is not being done in any one place but from both ends and in the middle. It is impossible for any individual to say what progress has been made on this important work, but it is certainly going on.

U.S.$5.00 Registration Fee at Each Stopping Place

Another stock question is about conditions in Russia—is the Soviet regime going to last, and if it fails when will it fail, and they want to know the date. I visited many places in Russia—Vladivostok, Moscow and other places, and I can prove I was there because at each place my passport was examined and I had to pay five American dollars as registration fee, which was noted on the passport.

If you asked me what I regarded as the most interesting thing I saw I would say offhand it was the industrial development, which is an interesting phase of the so-called Socialist State. If you asked me to describe a Socialist State, after being in Russia three months I should say I know less about it than before I went. A friend of mine in Moscow told me that Russia is probably the most interesting place for a newspaper man because you can prove anything there in theory. This is true, because the country is so large —it covers about one-sixth of the world's surface—and there is such a large and diversified population.

According to their official statistics, of which many books are published, there are 170 nationalities in Russia, and they speak 150 different languages and dialects. Of course the great majority of the people there are Russians, but you find surprisingly large communities of other peoples, and when you begin to look into that fact and study it you begin to understand some of Russia's manifestations and reactions toward the Orient which you did not understand before.

There are so many different kinds of people there that the Russians must be interested in and study racial problems which other nations with more unified populations do not have to worry about. As an example, returning on the same train with me were two gentlemen whom I thought were Mongolians, but I noticed that they did not get off at the center of the Mongolian Republic but continued to a station on the northern Amur.

I then found out they were high officials of the Yakut Republic. I produced a map, and found that about 200 miles north of Lake Baikal is a vast nation with territory half as large as the United States, running to the Bering Sea, and occupied by 320,000 people. One of these men told me that his tribe came from Central Asia, and that he is a close cousin to the American Indian. It was his ancestors who went across the Bering Sea and settled in North America.

That is only one example of the strange and unexpected things you find in Russia.

That Five-Year Plan

The so-called Five Year Plan, of which you have heard so much, is probably the best propaganda advertising scheme which has originated in any country. I was amused when Ambassador Bullitt said he was given an engine guaranteed not to break down from Moscow to Vladivostok and to arrive on time. It arrived five minutes ahead of time, and the Ambassador said they had fulfilled this plan 105 per cent.

The first Five Year Plan was devoted primarily to the development and industrialization of European Russia, and now they are started on the second Five Year Plan, which is extending into Asiatic Russia, what we know as Siberia. The transformation of a country which was primarily agricultural in a few years into an industrial country is a tremendous thing. The Russians will tell you that they are going to develop a program of industrialization in 10 years that required 50, 80 or even 100 years by other nations.

This is quite true—the industrialization of Japan has occupied half a century. But it is funny the conflicting ideas you get about this change. I asked a Japanese in Moscow what was responsible for it, and he said it was the spirit of the people. I asked a Chinese and he said it was due to two things—to the people tightening their belts and to the printing of paper money. Perhaps somewhere between these two ideas is the correct explanation.

Industrialization

But industrialization is the outstanding thing in evidence in Russia. There are towns in western and eastern Siberia that remind me of towns in America 35 years ago, where there were no water or sewage systems or electric light. But now they are putting up modern buildings, and big factories, as a result of which industrial program the people are flocking into towns and cities. The population of Vladivostok, which in 1924 was somewhere about 80,000 I think, is now 208,000, but little construction has taken place in that period, so you can imagine the living conditions in the city. Moscow is probably worse from the standpoint of congestion. This has brought about problems of housing conditions, large numbers of people in limited spaces, a problem you have in Japan and a serious problem we had in America. In the United States we are not so happy about our big cities, and are glad when people move away and go back to the country.

Mutual Blaming

I imagine these developments will create unexpected problems. Many Russians of radical tendency will tell you that capitalism contains the seed of its own destruction, and I would not be surprised if the capitalists in Russia say that the socialist system also contains the seeds of its own destruction, because it brings about unexpected changes. In Russia, whether it is communism or socialism or state capitalism, you can work independently, but the factories are not owned by private companies.

Suppose you have a factory in Moscow and another in Shanghai and one is in Osaka and another in Chicago, the fundamental problem is pretty much the same, whether it is owned by the state or a private company or an individual. The problems of finance, handling raw supplies, distribution, labor, are much the same. They are now discovering this in Russia; they did not think about it before. We have heard a lot about equality, and I heard much about equality in Russia, but I also read a speech by the head of the State Planning Commission in which he said that wages are the thing. They have discovered that no matter how much they train one man, he is not always able to do the same as another, and that as the individual is different they have to pay him differently.

The fundamental and most interesting and most significant thing is the development of this industrial system in Asia. Japan has been developing her system for the last half a century, and Russia is endeavoring to do it quickly. This has taken place in what was a wilderness before, not only in Siberia but in central Asia. Cotton and tea are being grown where they were not grown before, for instance. Such things are significant. Everybody puts a military complexion on them, but they will lead as strongly in the direction of peace as of war. I do not think any people interested in factories there want war.

The most important thing is the great industrial program, which is bound to affect this part of the world and the trend of the whole world history in the next decades.

Wave of Executions in Soviet Russia Continues

The wave of executions which has followed the alleged discovery of terroristic acts against Soviet officials shows no sign of abatement. One hundred and seven alleged terrorists have been executed in Soviet Russia since December 1. Twenty-eight persons charged with organizing and committing terrorist acts against Soviet officials faced the firing squad at Kieff Dec. 17. Hundreds of persons throughout Russia have been arrested and many of them are still awaiting trial.

A Moscow message Dec. 16 stated that four persons were added to the list of those condemned to death on charges of organizing and committing such acts.

The Soviet officials against whom they were allged to have been plotting hold positions in the village of Tashla, in the province of Volga, in Central Russia. Two of the men were accused of assaulting and murdering two 15-year-old "Pioneer Girls"—an organization similar to the Girl Guides—and with plundering collective farms. One of the two was a man name Usov, the son of a former priest, and the other a person called Synin, who was described as a bandit. The two other men sentenced, Penkov and Konyakin, are alleged to have been their accomplices.

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The "New Life" Movement in Russia

A writer in Moscow *Izvestia* recently proposed a new code of proletarian "good tone." He gives the following commandments:

"Don't champ your teeth when eating. Don't pick your teeth with your fingernails. Offer your seat in street cars, waiting rooms, &c., to women and invalids. Help old people to cross streets where traffic is dense. Don't eat off your knife. Wash your hands before meals. Shave daily."

Increased Electric Power Output in the U.S.S.R.

Electric power stations under the Soviet Central power administration have completed their yearly program of power output before the end of the year, having generated 12,500,000,000 kilowatt-hours by December 12. Increase in the output of power, as compared to 1933, amounts to about 33 per cent.

C.E.C. Manifesto Urges Peace and Unity; Nanking-Canton Relations Grow Closer

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Nanking-Canton Relations Grow Closer.**
2. **Gen. Chiang Kai-shek Resting at Home Town.**
3. **N.E.C. Budget for 1935 Fixed at $12,000,000.**
4. **Communists Enter Kweichow Province.**
5. **Plans for Anti-Red Campaign in Szechuan Mapped Out.**
6. **95,000 Chinese Volunteers Still Active in Manchuria.**
7. **Details of Chinwangtao Incident.**
8. **Mongolian Industrial Co. to Be Established.**
9. **South-West Council Reported to Be Abolished.**
10. **Kwangsi Enforcing Conscription Law.**

After five days' deliberation, the 5th Plenary Session of the 4th Central Executive Committee of the Kuomintang was formally closed 4.35 p.m. Dec. 15. The closing ceremony was presided over by President Sun Fo of the Legislative Yuan.

While accepting the situation in which China finds herself today as no less critical than what it was a year ago, the 5th Plenary Session of the C. E. C. in its manifesto issued to the nation, opens the eyes of the people to the fact that they should not be daunted by the national crisis, for history abounds with instances of nations gaining rebirth through impetus of national crisis. National consolidation through internal unity and peace must precede program for resistance against alien aggression, the manifesto adds, and the erasement of humiliations must necessarily draw its support from the strengthened force of our own. To bring about national consolidation, continues the manifesto, there is no other way than the realization of a real unity. And nothing short of mutual confidence and coordinated co-operation between Central Government and local governments can pave the way to peaceful unity within the country.

The 5th Plenary Session, however, feels gratified that those in helm of state have proved themselves equal to the heavy responsibilities entrusted to them by the previous, the fourth, plenary session, and have been carrying on their work guided by the principles laid down by it. To justify its gratification, the manifesto cities the success of the anti-red campaign and the steady progress in reconstruction so visibly demonstrated to the public. All these have been accomplished despite delicate political situation and shrunken national treasury.

As it is, the manifesto adds, Government armies should not be satisfied with victories against the reds in Kiangsi and Fukien, but should continue the campaign in Szechwan and Kweichow where the reds have fled.

The plenary session regrets over the drought and flood calamities which have inflicted unspeakable sufferings to many and made many others homeless. But efforts on the part of of the Government will not be spared in giving them relief.

Turning to international situation, the manifesto says that at this juncture when ominous forces at work are pressing towards dangerous crisis, China, weak and bearing brunt, would be in a most critical position unprecedented in her history. Realizing this situation the rank and file of Kuomintang should one and all bear in mind this warning and wholeheartedly work in unison for national salvation.

However, the manifesto emphasizes, we should not be daunted by the national crisis. If only the Central Government, the local governments, and the people will combine in determination to tread the path of national salvation through internal consolidation and unity, the nation will come through in flying colours, concludes the manifesto.

The Fifth Kuomintang Congress, which was postponed from last November on request of the the South-west and other Central Executive Committee members will be held November 12, next year, according to a decision reached at at the fourth meeting of the Fifth Plenary Session of the Central Executive Committee Dec. 14. It was also decided that the date for the people's congress would be fixed by the Fifth Kuomintang Congress.

General Chiang Kai-shek's proposals to the 5th Plenary Session of the C. E. C. which were adopted at the 5th meeting of the Session, call for the readjustment of the military units and safeguarding the interests of the officers and soldiers, and for compensation for the dependents of the fallen and the disabled men of the National forces.

Upon its close, the Session issued the following message addressed to General Chiang Kai-shek and the rank and file of the Bandit-Suppression Forces:

"For several years, the "Red" outlaws have harassed the people and spread terrorism in the country. Through your (General Chiang's) able direction and personal supervision and the obedience and valor of the officers and soldiers, many of whom have made the supreme sacrifice, the bandit lairs have finally been recovered and the "Reds" in the provinces of Kiangsi and Fukien have been exterminated.

"The Session has learnt with gratification of the victories of the Government troops. Besides entrusting the competent organs to grant generous pensions to the families of the deceased and to the disabled officers and men, and to devise means so that they may be well cared for in the future, this message is specially issued to commend you all on your loyalty and bravery. It is our hope that your efforts will be continued to eradicate the remnant outlaws within the shortest period possible so as to stabilize conditions in the whole country."

Expressing gratification over the unprecedented number of members of the Central Committees who attended the 5th Plenary Session of the C. E. C., President Lin Sen in an address at the weekly memorial service at National Government House Dec. 17, said that, in the course of a few days, the Session had deliberated upon and decided several measures which are bound to have an important bearing on the policies of the Government and the livelihood of the people.

An important financial statement dealing with the abolition of exorbitant levies and miscellaneous taxes in the country was submitted by Dr. H. H. Kung, Minister of Finance, to the C. E. C. Session. In his report, Minister Kung states that a total of 3,000 kinds of exorbitant levies and miscellaneous taxes, amounting to $28,000,000, has been abolished by 23 Provincial and Municipal Governments in the past few months. Other taxes amounting to $9,000,000 will be abolished shortly. It is expected that under the supervision of the Party and through the strenuous efforts of the various Provincial and Municipal Governments, all such levies and taxes will be totally done away with.

Nanking-Canton Relations Grow Closer

A strong appeal for peace and unity was made Dec. 17 by Sun Fo, President of the Legislative Yuan, in a speech at the Central Kuomintang Party headquarters. Mr. Sun, in the course of his speech, described the outcome of his recent mission to the South, which he declared had been completely satisfactory. He disclosed that Hu Han-min, veteran Kuomintang leader, was willing to come north and meet the leaders of the Central Government. Mr. Hu, he declared, was of the opinion that, instead of making a hasty journey, he would prefer to have his political trip well prepared. Mr. Sun added that Mr. Hu had told him that he now had a "complete understanding of his former comrades, General Chiang Kai-shek and Wang Ching-wei."

General Chiang Kai-shek on Dec. 15 received the South-western delegation to the 5th Plenary Session of the C.E.C., composed of Kwan Su-jen, Teng Ching-yang, Chan Chu-szu, Li Jen,-jen, Kwang-hsiu and Li Chi-an. In the course of the meeting, General Chiang inquired about conditions in Kwangtung. Teng Ching-yang, one of the delegates, in an interview, said that the foundation for national peace and unity has been further strengthened by the decisions at the Plenary Session. The South-west are firmly supporting the

Central authorities, and will share in the work of national salvation.

Ou Fang-pu, Commissioner of Finance of Kwangtung who arrived at Shanghai Dec. 16, reached Nanking on the 18 the Nanking to open discussions with the Central authorities regarding the financial problems of Kwangtung province. Interviewed at Shanghai, Mr. Ou denied the report that Canton was seeking a $50,000,000 loan from American bankers. He said that there are at present more than 20 factories included in the steel and iron plan of the Kwangtung provincial government which requires a total sum of $90,000,000. At present the scheme calls for $36,000,000 which is ready and most of the machinery for the projected factories is paid by instaliments. Speaking on the finances of the province Mr. Ou declared that the deficit for this year's budget is only $10,000,000 but this represents an investment in the three-year contsruction programme which has already shown remarkable results. Most of this money has been put into productive enterprises, farm rehabilitation work and other civic improvements. The deficit is not considered too big and by saving in certain branches of the government it will not be necessary to make loans.

Generaal Chiang Kai-shek Resting at Home Town

General and Madame Chiang Kai-shek arrived at Chikow, their native home at Fenghua, at 10.45 h. m. Dec. 15 by motor-car from Hangchow. The distinguished couple passed Shanghai in the afternoon of the same day from Nanking by airplane. After a brief stop here, hey flew to Hangchow, whence they proceeded to Fenghua by motor car. It is understood that General and Madame Chiang will stay in Fenghua for about a week after which they expect to return to Nanking.

The National Government, in an order to the Ministry of Foreign Affairs through the Executive Yuan, authorizes and approves the acceptance of a decoration presented by H. M. the King of Italy to General Chiang.

N.E.C. Budget for 1935 Fixed at $12,000,000

T. V. Soong, Chairman of the Standing Committee of the National Economic Council, in an interview with the press at Shanghai Dec. 15 announced that the budget of expenditure of the Council for 1935 had been fixed at $12,000,000 as the result of a decision reached at a meeting of the Commitee Dec. 14. At the meeting, it was decided that of the total budgetary expenditure, a sum of $6,000,000 would be devoted to the development of water conservancy works, $3,000,000 to road construction, and the remaining $3,000,000 to the development of silk and cotton industry and other reconstruction projects.

General Chang Hsueh-liang, who had been visiting Nanking for nearly two weeks in connection with the C. E. C. Session, left Nanking for Hankow Dec. 17 by the airplane "Ichang." He arrived there in the afternoon.

A new 12-passenger Boeing aeroplans is reported to have just been bought by General Chang Hsueh-liang. The new machine has a speed of 140 miles per hour.

General Yang Chieh, newly appointed Vice Chief-of-Staff to the National Army assumed his duties Dec. 13. General Chiang Kai-shek was present and introduced General Yang to the members of the General Staff Department.

Reorganization of the Chekiang Provincial Government Committee with General Huang Shao-hsiung, until recently Minister of Interior, as Chairman in succession to General Lu Ti-ping was decided upon at the meeting of the Executive Yuan held Dec. 11. General Huang was appointed concurrently as Commissioner of Civil Affairs, Hsu Ching-fu, Commissioner of Finance, Hsu Shao-ti, Commissioner of Education, Tseng Yang-fu, Commissioner of Reconstruction. Huang Hua-piao, Secretary-General and Chiang Hsi-hou Chou Hsiang-hsien and Chu Kung-yang, members.

General Lu Ti-ping was specially appoined Vice-President of the Military Advisory Council

Communists Enter Kweichow Province

A large band of communists have entered Kweichow province and are concentrating around Yungchung, according dispatches received at Changsha. One group has penetrated into Hsinchuang and are making an effort to enter Chinping district. Government troops under General Chen Kwang-chung encountered the Reds at Taoshuichieh and after a severe engagement broke the right flank of the communist wing. Many Reds are reported to have been killed during the engagement. Troops in Hunan continue to search the southern section of the province for communist remnants and have succeeded in rounding up 6,000 outlaws, including a member of the so-called Soviet Government of China. Further reports state that communist straggiers in southern Hunan near Lungmoutung have been severely defeated by government forces. More than a hundred were left dead on the battlefield while a large quantity of military supplies were seized.

The city of Liping, south-eastern Kweichow, was recovered by the Kweichow troops under General Wang Chia-lieh, Dec. 16 after a severe struggle. The "Reds" retreated northwards to Chinping, eastern Kweichow. The 19th Kwangsi Division which has been detailed to assist the Kweichow troops in suppressing the "Reds," has passed Hsiakiang from Ku-i, northern Kwangsi, en route for Yungkiang, near the Kwangsi-Kweichow border.

Units of the 1st Army Corps under General Liu Chien-hsu of the Government Pursuit Forces are nearing the Kweichow border. The main forces of the remnant outlaws have escaped to Yungtsung, south-eastern Kweichow, while a portion has fled to Sinchang in an attempt to make for Chinping, eastern Kweichow along the Kweichow-Hunan border. The Kweichow forces have arrived at Machangping to check the flight of the "Reds" northwards. The remnant Reds at Chengpu and Changanpao, south-western Hunan, have been cleared. 1,600 outlaws, including several "Red" officers were captured during their flight in southern Hunan.

The city of Tungtao, south-western Hunan, near the Hunan-Kweichow border, has been recovered by the 16th and 62nd Division. More than 1,000 outlaws were killed and 700 captured in the neighborhood of Tungtao. 300 rifles were seized. The remnant marauders have reached Chinping and Chienho, eastern Kweichow, with the Hunan units in close pursuit.

Communists retreating to the western border of Hunan have met with severe reverses at Shuichieh during the last few days. More than 1,000 Reds were killed near Tungtaocheng while 700 were taken prisoners. Tungtaocheng was recaptured by government troops on Dec. 25.

Six thousand Reds captured by troops under Geneeral Pai Chung-hsi, Kwangsi commander, have been repatriated to Hunan under military escort. They were taken over by General Ho Chien's troops at Huangshaho and will be placed in detention camps.

A cash award of $10,000 has been remitted to Changsha by General Chiang Kai-shek for distribution among the Army Corps of the Pursuit Forces, whose prowess in the battle inflicted heavy casualties among the "Reds." A military dispatch from Tsinghsien, south-western Hunan, reports that the vanguards of the "Reds" reached Yatunpao, south-east of Tungtao in south-western Hunan, on the 10th; those at Changpu, southwestern Hunan, are continuing their flight westwards.

A total of 6,000 "Reds" has been captured by the Kwangsi Provincial Forces since their incursion into northern Kwangsi, states General Pai Chung-hsi in a telegram to General Chen Chi-tang and General Li Tsung-jen at Canton. General Pai also reports that 40,000 "Reds" are attempting enter Kweichow.

General Chen Chi-tang has decided to despatch the 1st Kwangtung Army westwards to chase the fleeing "Reds" along the Hunan-Kweichow border. Crack units of the 7th and 15th Kwangsi Armies will also be sent by General Li Tsung-jen to pursue the outlaws.

General Chen Chi-tang Dec. 14 issued an order regarding thetreatment of Red captives. The order states that persons who are found to have been forced into the Red armies will not be punished and will be sent back to their native districts. The communist leaders will be tried by military tribunal and evidence will be brought from the districts where they formerly ruled. Red soldiers who are willing to repent will be sent to training camps.

One communist "divisional commander" was killed and several "political committee members" of the so-called Soviet

Republic of China were taken prisoners Dec. 13 when the Government troops routed the remnants of the outlaws who were hovering around the Kiangwah and Ningyuan district, Hunan.

According to an official report received at Canton from the front, the various units of the Southern Route Bandit-suppression Forces which had advanced into Hunan to assist the Hunan troops in the campaign against the Communists, withdrew into the Kwangtung border Dec. 10 following the complete liquidation of the scattered Communist bands in Southern Hunan. The withdrawal was carred out along two different routes.

The Fukien Pacification Headquarters issued a circular order Dec. 13 to remove the economic blockade in various parts of the "Red" outlaws. The offices for the supervision of economic blockade along the Chang and Ting Rivers wound up their affairs Dec. 15; the offices in other parts of the province will be abolished before the end of the month.

Plans for Anti-Red Campaign in Szechuan Mapped Out

Comprehensive plans for the anti-Communist campaigns in Szechuan had been decided upon after a series of conferences held between General Liu Hsiang and General Chiang Kai-shek at Nanking. Among the plans will be the establishment of a Field Headquarters at some convenient city in Szechuan which will be in the charge of several high military officers attached to the Generalissmio's Provincial Headquarters at Nanchang. Defences along the borders of Shensi and Szechuan will also be strengthened to prevent the Reds from penetrating into the northern provinces. The present Provincial Government of Szechuan would be re-organized and the Commander-in-Chief of the anti-bandit Forces would be responsible concurrently for the administration of civil affairs. Regarding the finances of Szechuan, the Central Government has consented to remit Szechuan $800,000 monthly to finance the military operations. The government had also decided to send several high officials there to investigate the financial situation and help the local authorities in reorganizing the tax system. A branch of the Central Bank will also be established in Szechuan.

According to information from authoritive quarters, the reorganization of the Szechuan Provincial Government is expected to be carried out immediately upon the return of General Liu Hsiang to Chengtu. General Liu will be appointed Chairman of the Provincial Government, with Chang Pi-ko as Chief Secretary, Kan Chi-yung Commissioner of Civil Affairs, Liu Hang-seng Commissioner of Finance, Kuo Wen-ching Commissioner of Reconstruction, and Yang Chuan-yu Commissioner of Education. Official appointments of these officials are expected to be announced simultaneously with the order of the reorganization of the Provincial Government.

Badly beaten by the units of the 40th Army of the Pursuit Forces, 1,000 outlaws of the 25th "Red" Army under Hsu Hai-tung, possessing 600 rifles, have eached Lingyukow in Lonan district, eastern Shensi, from Lushih, western Honan. They were again defeated by the 42nd Shensi Division and forced to retreat southwards to Laochunyu on the 11th. Additional Shensi troops have been sent by the Sian Pacification Headquarters to subdue them.

95,000 Chinese Volunteers Still Active in Manchuria

In spite of the renewed drive of the Japanese and Manchukuo forces to rid the new state of bandits anti-Japanese volunteers have not slackened their efforts in causing trouble to the inhabitants during the months of October and November. According to reports reaching Peiping, there are still 95,000 volunteers in Manchuria representing an increase of nearly 33,000 since October. During November they launched 662 attacks on various cities and occupied nine railway stations.

Japanese "Disarming" Mukden

The second "disarming" campaign was completed Dec. 13 as the Japanese authorities continue to confiscate all firearms owned by private individuals in the city of Mukden. After four days of intensive house-to-house search the Japanese police succeeded in collecting the following firearms: 21,979 rifles, 611 pistols, and 8,841 other firearms, including a large quantity of ammunition.

Details of Chinwangtao Incident

Details of the Chinwangtao incident in which members of a Japanese steamer opened fire and wounded a Chinese Customs inspector are now available at Tientsin. On Dec 8. the Japanese vessel concerned, the Great Wall Maru, arrived at Chinwangtao from Dairen with full load of cargoes. Upon entering the harbour, the customs authorities sent three inspectors, all Chinese, to go on board to conduct tthe usual examination, but the officers of the boat refused to have the cargo inspected. Not only did the ship's officers refuse inspection but opened fire on the customs inspectors, wounding one of them, Li Jui-wu. Following the shooting incident, the vessel steamed off after unloading the cargo and without paying customs duties. Upon receipt of the news the Customs authorities immediately protested to Col. Giga, representative of the Kwantung Army in Shanhaikwan, who consented to take action against the ship, but before action could be taken, the vessel had already made good her escape.

The Ministry of Foreign Affairs is understood to be lodging a strong note with the Japanese authorities protesting against the shooting of Chinese customs inspectors at Shih Ho Kow near Chinwangtao last week. The note will be forwarded to the Japanese quarters in a day or two.

Twenty motor lorries, flying Japanese military flags, and loaded with Chinese herbal medicines from Manchuria, were forced to stop at Shanhaikwan on Dec. 9 as they attempted to pass through the city southward. The drivers claimed that the goods were military "supplies" and were not subject to pay customs duties. The customs officials, at Shanhaikwan, however, are holding the trucks pending further settlement by the Tientsin customs administration and Japanese officials.

Japanese Airdrome at Tientsin Completed

More than a thousand Japanese residents and troops in Tientsin turned out Dec. 16 to celebrate the completion and opening of the new aerodrome at Palitai. In spite of the protests lodged by the Chinese authorities tthe Japanese officials have never sent a written reply. The Japanese have explained verbally that this is not an aerodrome but a playground which has no military significance.

It is learned that the Japanese have now established eight branch consulates in the Tangshan area without the approval of the Chinese Government. The places where these branch consulates are established are not treaty ports.

Mongolian Industrial Co. to Be Established

The Mongolian Industrial Company, which is jointly financed by Chinese and foreign capital, will be officially established early next spring. The general regulations have been approved by the Mongolian Political Affairs Commission and a section on the Chahar provincial border will be given exclusively to this new company for development projects. The term of the contract is for 12 years. It is stated that 20 per cent of the profits of this company will be given to the Mongolian Political Affairs Commission.

Panchan Lama Going to Chinghai

The Panchan Lama, who is now in Suiyuan, will proceed to Chinghai (Kokonor) early in January next year. Several Tibetan dignitaries have already arrived at Hsining, provincial Capital of Chinghai, on their way to Ninghsia to welcome the Panchan Lama for his coming visit there.

Lunghai Railway to Extend Further West

The laying of roadbeds along the Sian-Tungkwan section of the Lunghai Railway is progressing apace. Construction of a steel bridge across the Chan river is said to have already been completed. It is learned that work has been going on for the laying of sleepers along the section of the railway between Shihlipu and Sian, the completion of which is expected immediately. In the meanwhile the authorities of the Lung-hai Railway have appointed station masters for the various stations newly erected along the section. It is expected that traffic along the last lap of the line may be opened before the end of this year.

South-West Council Reported to Be Abolished

It is reported at Hongkong that the South-west Political Council, the highest political organ in the South, will soon be abolished. A Canton Branch Political Council will be established to take the place of the South-west Political Council.

General Chen Chi-tang and General Li Tsung-jen, who had been appointed Pacification Commissioner of Kwangtung and of Kwangsi, would assume their respective posts on the New Year day next year, it was officially announced at Canton Dec. 14.

General Hu Tsung-to has been made a member of the South-western Political Affairs Committee. The decision was made at a meeting of the Committee Dec. 11. The meeting confirmed the abolition of the Commander-in-Chief's Headquarters of the Southern Route Bandit-suppression Forces (for the provinces of Kwangsi, Kwangtung Fukien, Hunan and Hupeh) in accordance with an order of the Central Government.

Kwangsi Enforcing Conscription Law

Preparations have been completed for the enforcement of the Conscription Law in Kwangsi. The law was to have been put into effect on December 10 but owing to political turmoil it has been found necessary to postpone the enforcement till January 10 when 8,000 men will be conscripted for military service. Those to be numbered among the 8,000 to be dragged into the Army will be determined by a drawing of lots. In every little village in Kwangsi the young and able-bodied are drawing the little pieces of paper with the chance that they may have to wear privates' uniform for a full year. The Kwangsi authorities are giving assurances to the Kwangsi people that all men conscripted will receive a thorough training and good treatment, so that they can fight for Kwangsi when called upon to defend the province against invasion. It is estimated that Kwangsi has a population of 12,000,000. Excluding 6,000,000 females and 2,000,000 disabled there, there are still 4,000,000 young and able-bodied who could receive military training and form a formidable army. The scheme will begin with the conscription of only 8,000 men. They are to be trained in Nanning.

CHINA PRESS OPINION

THE KUOMINTANG CONGRESS AND PUTTING THEORIES INTO PRACTICE

The *China Times* sees that there is still an opportunity for China's salvation if the officials, both in office and those who have retired, recognize the necessity of putting political theories into practice. This paper urges these officials to stand on firmer ground and continue to work for the solution of these critical problems which the nation is facing.

Commenting on the statement made by Wang Ching-wei, President of the Executive Yuan at the opening of the Plenary Session of the C. E. C., that the reason for failure of putting decisions into practice is not due to difficulty but rather to negligence on the part of session members to consider the applicability of their deliberations, the *China Times* says:

"Hereafter, the main objective is to put things into practice. If we continue to utter high sounding theories it will be similar to the communists, who are doing the same thing. We sincerely hope the officials in office and those who have retired will recognize this factor, and get down on firmer ground to solve the major problems facing the nation to-day. If we can do this there is still a day to come when China will fully recover."

NEEDED: A STANDARD FOREIGN LOAN POLICY

Strict supervision of the loans made by local governments from foreign firms or countries and a definite standard for such foreign loans are strongly urged by the *China Times* which comments on the proposed $50,000,000 loan which the Kwangtung Provincial Government is attempting to raise from American bankers for steel, iron and power factories.

Commenting further, this journal states: "However, the use of such loans should be strictly limited. Certain standards should be made under which loans can be made from foreign firms or countries.

"We sincerely hope that the Central authorities, particularly those in charge of finances, will investigate all the previous loans obtained by the local administrations from foreign firms or governments and will give more attention to development projects in the interior."

UNITY NEEDS PEOPLES COOPERATION

The suppression of the communists and the gradually re-establishment of peace and order in the country are definite signs of encouragement but not too much emphasis should be placed on the things achieved in the past and more efforts must be exerted on what should be done in the future. The plea for unity made at the Plenary Session of the Executive and Supervisory Committees of the Central Kuomintang cannot entirely be carried out by the administration alone but must have the co-operation of each Chinese citizen.

This is the gist of the editorial of the *Sin Wen Pao*, which warns that the present temporary peace cannot be lasting unless more is done. The editorial continues:

"The people have unlimited hopes in the Plenary Session of the Kuomintang. The people in the midst of their celebrations of the defeat of the communists now look to the troops as if they were the Great Wall of China. In fact the Fate of China depends on the whole efforts of themselves. The members of the Fifth Plenary Session of the Kuomintang are also citizens of China; the troops fighting the Reds are also the citizens of China. We need the co-operation of each individual; until then we cannot contribute anything outstanding to the nation. It is in this way that the soldiers at the front will not have fought in vain. Otherwise, the present lull cannot last long, and the permanent peace for the country cannot be guaranteed."

FREEDOM OF THE PRESS

Appealing for freedom of press, the Peiping *Chen Pao* in an editorial comment on the subject in connection with the 5th Plenary Session of the C. E. C. at Nanking, says:

"Freedom of speech and of the press is one of the inalienable rights of Man. It lies at the root of all free institutinns and cannot and should not be curtailed. General Chiang and Mr. Wang hit the nail on the head when they said in thier recent joint circular telegram that the spirit of political tutelage would be defeated by repression of the thought of the people.

"Like all rights, the freedom of the press is naturally subject to certain limitations. The advocacy of sedition cannot be reconciled with the principle of freedom of the press and should be punished. On the other hand, honest differences of opinion should be welcomed by the Government.

STRICT FINANCIAL SUPERVISION NEEDED

Under the above heading, the *Peiping World Daily News* commented:

"The financial stringency of China is an old story. For years the National Government and Provincial Governments have suffered from unbalanced budgets. Accordingly national and provincial loans have been floated at both ends. Since the establishment of the National Government seven years ago loans to the total amount of $1,270,000,000 have been issued. It is no exaggeration to say that the Government has lived on credit. The net result has been the abnormal development of the Chinese banking business in Shanghai. The financial crisis of the Government, however, has not been relieved in the least.

"Mounting military expenditures every year and the increasing impoverishment of the common people constitute the principal causes of the financial difficulties of the provincial governments. The remedy for this state of affairs does not lie in the issue of provincial loans. We suggest that instead of allowing the regional authorities to float loans, the National Government draw up a comprehensive financial scheme for the whole country. Where it is found necessary for a provincial government to issue a provincial loan the National Government should supervise the administration of the loan proceeds so that not a single cent shall be wasted."

BANK FAILURES AND INVESTORS

Deploring the failure of the Thrift and Savings Bank and the temporary closure of the China Wing On Finance Corporation, the *Sin Wen Pao* issues a warning to investors not to follow blindly the signs of new money institutions and strongly urges the bigger banks to co-operate closely in order to weather this present panic.

Commenting further, the journal says:

"During recent years many banks have opened branches in and near Shanghai to absorb the money of the environs. As an inducement many banks have offered high rates of interests as well as prizes. Although this type of business procedure may be welcomed by certain groups, it is not entirely legal. After getting all the deposits, the problem of how to dispose of them is also a question which the banks must face. In the present time of depression and industrial backwardness it is difficult to see where such money can be used.

"The depositors naturally want to know that their money is being used in some fundamentally sound project that will benefit the public. The tendency now is to make loans at a low interest. Many of the banks which are giving high interest have, to some degree, a large quantity of money on their hands, but they are afraid to invest it in other projects for fear of failures and are equally apprehensive if they keep the money because they will be losing the interest."

New Political Outlook; Nanking-Canton Rapprochement

BY C. Y. HSIEH (謝志耘)

With the successful conclusion of the communist-suppression campaign in Kiangsi and the convening of the Fifth Plenary Session of the C. E. C., China's domestic situation has produced a new scene. The Red scourage no longer threatens her vitals, but has been driven to the extremities where its final liquidation is expected in the near future. Thousands of square miles of territory, for years lost to the communists, have been restored. What appeared an almost completely devastated province is now given every aid for a quick rehabilitation. In the midst of all this the recent opening of a motor highway linking Changsha with Shanghai should be regarded more than an event in our history of communication. It is symbolic of a political and economic metamorphosis whereby the central provinces have been stabilized under the control of the National Government. And this stabilization goes far to justify Nanking's perennial policy of first forming a strong and healthy center and then bringing the outlying provinces slowly but gradually into its fold.

That this sane and effective policy will be continued and pursued with redoubled efforts is evident from the trend of events before and during the Fifth Plenary Session of the C. E. C. There is no better proof of the accommodating spirit of Nanking toward the centralization issue than the Chiang-Wang circular telegram of November 27, last, in which the division of powers between the Central and the Provincial Governments was attempted with a view to eliminating their traditional frictions. Although this gesture has been construed as one of the concessions to Canton, it cannot be doubted that it was intended to be a general policy, a policy which received the formal sanction of the C. E. C.

Military Element More Chastened

Indeed the domestic situation has progressed so satisfactorily that the Tientsin *Ta-Kung-Pao* opined a few days ago that the Nanking Government has come to wield a degree of power which has never been equalled since the heyday of Yuan Shih-kai. Even this comparison is more apt than just, because the military element is much more chastened today than it was in the early years of the Republic. This is due in part to the progress of the times, and particularly to the fact that encroachment by Japan on the one hand and struggle against the communists on the other have aroused the military leaders to a national consciousness never before realized.

These observations were not made in order to minimize the trying problems which still confront Nanking. Far from it. It must be admitted that the most trying of these, so far as domestic politics is concerned, remains the so-called Southwestern question. In fact much needs be done to effect a complete raprochement between Nanking and Canton. Many factors even seem to argue for despair over their relations. For instance, in the attitude of Hu Han-min many people have seen no reason for optimism. While Dr. Wang Chung-hui and Sun Fo have reported a decided change of heart on the part of the ex-President of the Legislative Yuan, the latter has not ceased making critical remarks on the ruling authorities in Nanking. Then again the fact that Canton only sent second-rate representatives to the Fifth Plenary Session of the C.E.C. has formed the subject of much adverse comment in some quarters. It has been taken as evidence that Canton is still adopting a policy of watchful waiting towards Nanking and that the day of a real reunion is very remote.

To these views, however, we cannot subscribe ourselves. It would be doing the intelligence of the responsible Southwestern leaders injustice to suppose that they have not yet found exactly where they stand with the realities as well as with the public sentiments of the country at large. On the contrary, there is reason to believe that they have seen the futility and lack of wisdom in their continued obduracy—futility because, in point of strength and resources, Canton will find itself taxed to the utmost limit in order to maintain a separatist regime and will bring disaster upon itself the moment it should try to translate opposition into an armed conflict against Nanking; and lack of wisdom because its blind opposition has met, and will meet, with no sympathy of public opinion at this juncture of the domestic and international situation. The question foremost in the minds of thinking Chinese today is not whether dictatorship has taken root in China, but whether a "national" government in every sense of that term really exists. Furthermore, it must be conceded that Nanking's policy of moderation and its program of developing national strength through reconstruction has taken the wind out of the sails of the opposition. The Generalissimo, in particular, by devoting himself to military affairs and leaving administrative powers in the hands of Wang Ching-wei, has silenced much of the usual accusations of dictatorial tendencies against him. The result has been that in spite of its apparent over-patience with Canton or largely because of it, Nanking has, during the last couple of years, won imperceptible victories over the latter in the hearts of many people.

Southwestern Opposition Has Outlived Usefulness

It is impossible that these silent yet momentous developments could have escaped any man of Hu Han-min's sagacity. To him it should be clear by this time that however justified the origin of the Southwestern opposition might have been, it has far outlived its usefulness. The cause he has championed is a losing one, for pleading which no heroism can be attached. If he sticks to his course, he may have to pay heavily for his obstinacy by cutting short his political life which, in view of his ripe age and mature experience, would be as much a loss to the nation as a misfortune to himself. But again, we have reason to hope, Mr. Hu's sagacity may be above that.

As to the outspokenness of Mr. Hu, we are of the opinion that it is one of his life-long traits, and so his latest bombast need occasion no surprise. When he was in Nanking, it may be recalled, he had been as critical —if not more—of things as he is now. Nor should it be lost sight of that vehemence does not necessarily belong to a truly obdurate heart, but is not infrequently associated with transient, though violent, moods.

Again the quality of representation of the Southwest in the Fifth Plenary Session should not be taken as an error-proof barometer of the kind of relations that will obtain between Nanking and Canton from now on. It is not in the order of things that long estrangement can be patched up in one day. Nor can such hurried patchwork be durable even if it is possible. As we have mentioned, Nanking had both before and during the Fifth Plenary Session fairly extended its hand to Canton. The principles of the division of powers as enunciated in the circular wire of November 27 last and adopted by the Session indicate how far the Central Authorities are prepared to go to meet the viewpoints of the regional interests. These cannot fail to impress Canton with the sincerity of the reponsible leaders in Nanking in thrashing out the several outstanding difficulties between the two sides. And as there are about eleven months between now and the convening of the Fifth National Congress of Kuomintang Representatives, there is room for hope that a complete reconciliation will have been brought about in due time.

Peiping, December 16, 1934.

Former Budget Director Predicts U. S. Currency Collapse

The administration's recovery program is leading to an inevitable currency collapse which will be a ghastly social and economic calamity, declared Lewis Douglas, formerly President Roosevelt's budget director, in an address in New York, Dec. 13. He added that it was impossible to balance the budget by 1937, and that the only road to recovery lay in the stimulation of heavy industries, balancing the budget and the discontinuance of the Civic Conservancy Corps.

American Public Debt Now Over Twenty-eight Billions

According to figures made public by the U. S. Treasury department, Dec. 15, the public debt of the United States has reached a total of $28,400,305,695, the highest figure in the history of the country. Included in this total is the $967,863,000 new securities short term paper floated two weeks ago.

American Banks to Lower Current Interest Rate to 2.5 Percent

As from February 1, 1935, the rate of interest on current accounts will be lowered in all the banks of the United States from the present 3 per cent to 2.5 per cent.

President Roosevelt is making an effort to persuade congressional leaders to finish the forthcoming session of Congress as fast as possible. Leaders in both the Senate and House, however, foresee little chance of adjournment before June 1.

A Proposed Prosperity Plan

A colossal new prosperity plan to be spread over 25 years with public works costing $105,000,000,000, was submitted to President Roosevlt by the National Resources Board December 18. Cultivation of 5,000,000 acres of new land every year for 15 years, and enlargement of state forests and parks, is envisaged.

Appeal Trial in "Sheng An" Piracy Case Completed

The appeal of the Europeans charged with the forceful seizure of the Chinese cargo boat, *Sheng An*, and the murder of 10 persons aboard it on June 28 last year, was ended in Port Arthur Dec. 17. The verdict was promised for January 21. Captain Hugo Taudien, alleged leader of the gang, and Heinrich Wastermann received the death sentence on April 26 this year. Arthur Gautchi, a Swiss, and Walter Muller were given life imprisonment, while George Schroeder received a sentence of 10 years' imprisonment. The defense attorney, Mr. Yoneoka, who is also mayor of Port Arthur, tried to quash the sentences by insisting that there was no Japanese law which covered piracy, and that the accused were liable only for illegally entering the Kwantung leased territory.

Rehabilitation of Red-Devastated Areas---A Call to Shanghai Bankers

BY PAUL K. WHANG (汪仲芳)

DURING the past few weeks, notable military success has been achieved by government bandit-suppression forces both in Kiangsi and in Fukien. Juikin, for six years the capital of the Chinese Soviet Republic in southeastern Kiangsi, has at long last been captured by the government forces, while Changting, an important Red stronghold in western Fukien has been recovered from the hands of communists. For the first time in the past many years, the prospect of an early liquidation of the Red menace in Central China seems to be within sight. This goal, if it is attained as promised by government leaders, represents, to quote Gen. Chiang Kai-shek's own words, "the result of three long years of hard work jointly undertaken by the military, political and Party leaders."

This military success will especially bring consolation to Gen. Chiang, who depsite hardships and reverses, has never lost his faith and courage in this stupendous task of bandit-suppression. Prior to the launch of the present campaign about two and one-half years ago he had already conducted two or three major military expeditions against the Red banditry in Kiangsi; but every time when success had been in sight, the domestic political situation had necessitated him to leave the task unaccomplished. This time, for more than two years, he has devoted his whole time and energy to this gigantic task, and personally led the bandit-suppression forces in Kiangsi. He has held fast to his belief that suppression of Red banditry should take precedence over all other issues. Thus in spite of the critical condition in North China resulting from the Japanese invasion and the Fukien rebellion, he conducted his campaign continuously and without leaving his post until success was assured.

A Fatal Blow to Communists

That the sweeping success gained by the government forces in Kiangsi and Fukien has dealt a fatal blow to the aspirations of the communists is a matter of certainty. If this success can be followed up by a concerted action taken by military leaders in Kwangtung, Kwangsi, Szechuen and Hunan, there will not be much difficulty to round up the remnants of the Red forces and to eradicate the Red virus from China forever. The attitude of military leaders in those provinces, therefore, has a great bearing upon the bandit situation in future. In passing, it must be remembered that the Red bandits, in taking advantage of the political chaos in Szechuen, have already created a stronghold in that rich and large province. It is hoped that out of his recent trip to Nanking, Gen. Liu Hsiang, Commander-in-chief of the bandit-suppression forces in Szechuen, can work out a program of effective military co-operation with the National Government, so that this vast province can be saved from becoming the second Kiangsi.

So far as Kiangsi and Fukien are concerned, the military phase of this bandit-suppression problem will come to a close. In order to keep the military gains, the officials of the National Government should lose no time in formulating a program of rehabilitating the Red-devastated areas. The fact that Kiangsi and Fukien were overrun with the Red bandits is primarily due to the long years of misgovernment of the self-centered officials. The poor peasants themselves are too ignorant to appreciate and interpret any imported political theories. When they were bled white and driven to starvation, they had no alternative but to live a bandit's life and become the tools of the communists. Therefore, in order to re-establish them on their farms and prevent them from being further victimized, the government officials must turn their attention to the political and economic reformations to be introduced into the areas recovered from the Red bandits.

In this connection, Gen. Chiang Kai-shek, at a recent memorial service, was quoted as saying, "It has always been my conviction that in solving this problem of communist-suppression, we should use 70% of political influence and 30% of military power. But the present result falls far short of our expectation, because we have used 70% of military power and only 30% of political influence. It is my fervent hope that henceforth the political and Party leaders should co-operate in contributing their expected 70% to this task of eradicating the Red menace." Many other leaders, including T. V. Soong, ex-Minister of Finance, also contended that the suppression of Red-banditry should be sought from political and economic readjustments.

At the present time, financial assistance to the poor victims is more necessary than anything else. For years, a large part of Kiangsi and Fukien was controlled by the Red bandits. While the rich people took refuge elsewhere, the poor peasants in the Red-controlled areas lived virtually a dog's life. They were forced to contribute everything they had and everything they could produce from the good earth to feeding and clothing the Red army. The strong and young ones were often impressed into military services. While the Red army, because of the effective blockade set up by the government forces, were faced with shortage of food, the plight of these poor peasants, therefore, could be easily imagined. They are now glad of their deliverance from the Red terrorism, and are eager to reestablish themselves on their farms if they can be assisted by the government.

Tragic Tale of the Victims

An eye-witness, who has recently toured the Red devastated areas, has brought back a tragic tale concerning these poor victims. "The poor peasants who had been promised with free land by the communists suffered the most. They were driven to cultivate the land, but the fruit of their labor was totally seized by the Red forces. Thus they have become poorer than ever. Everywhere I go, I meet with nothing but poverty and destitution, as if the land has just been visited by the Black Death. The productive farms have been deserted and laid waste, because the peasants have not the wherewithal to buy the seeds and farming equipment to cultivate the land. Many of them are living on barks and roots. With the advent of the winter season, their distress will become even more acute, as they are still clad in summer clothing."

It is gratifying to note that the government officials have not lost sight of this pitiable plight of these poor victims. The National Government, as reported, have decided to appropriate a sum of $100,000 for the purchase of food supplies and winter clothes for the victims. The National Economic Council is understood to be also co-operating in this matter and has set aside a sum of $500,000 as the fund for small credit loans to the victimized peasants in the Red devastated areas. Besides, the Agricutural Bank of Hupeh, Hunan, Kiangsi and Honan, which was established in 1932 for the sole purpose of relieving the rural distress in the districts recovered from the Red bandits, has also devised measures for making small loans to poor peasants for their re-establishment.

But all these relief works and measures represent merely a bucket of water in a big sea. This work of rehabilitation is a vast one, and can not be successfully carried out unless it is jointly undertaken by the government officials and private bankers. At present, owing to businese depression, the Shanghai bankers have had difficulty in finding a profitable outlet for their accumulated funds, and many of them have simply indulged in speculative operations. They would render a great service to their country if they would co-operate with the government officials in undertaking this work of rehabilitation by making profitable use of their idle funds in the Red devastated areas, so that these poor victims can once again re-establish themselves on their farms and have the means of making their own livelihood.

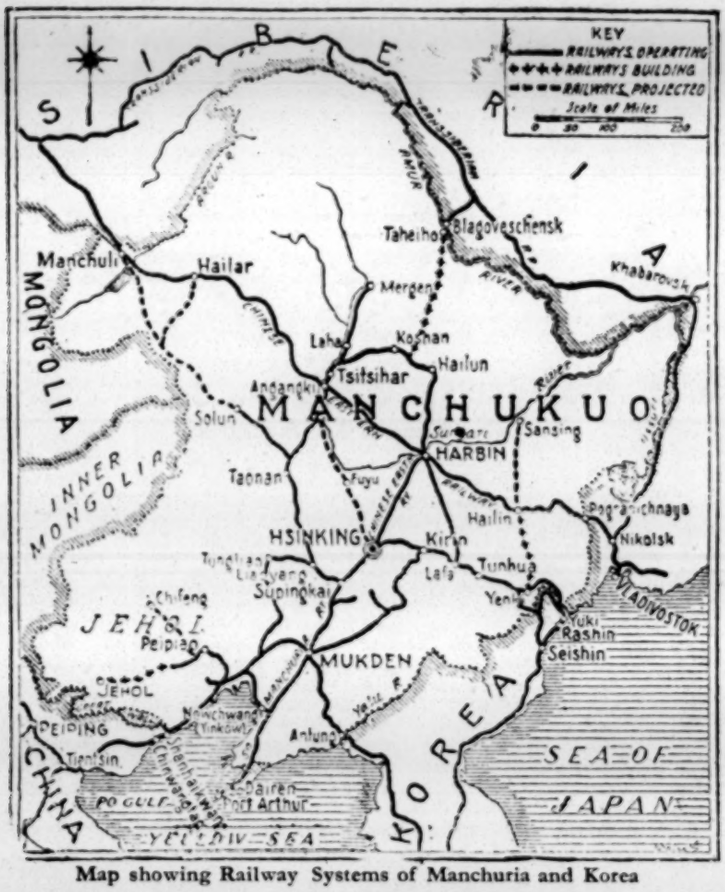
In the past few years, many of our far-sighted bankers have already turned their attention to the works of rural rehabilitation and the development of inland provinces. A few of them have made trips of inspection in Szechuen and the northwest provinces. It seems to be the consensus of opinion that China's future depends upon the development of inland and remote provinces. While the development of Szechuen and the northwest provinces is important, the rehabilitation of Kiangsi and Fukien is even more urgent. We can not permanently eradicate this Red virus from Central China, if the areas thus recovered from the Red hands remain unrehabilitated and the people there are left to face starvation and death.

From the standpoint of national economics, the suppression of Red banditry in Kiangsi and Fukien is a very favorable factor leading to the growth of domestic industry and commerce.Both Kiangsi and Fukien are densely-populated and rich provinces. The former has China's great river running through it, while the latter is located along China's sea coast. The successful rehabilitation of these two province will promote both river and coast trade, and bring more business to this port. In the long run, the bankers and men in Shanghai will all receive beneficial consequences. Therefore, for their own interests, the Shanghai bankers should give their whole-hearted support to any practical scheme for rehabilitating these two much devastated provinces.

Japanese Complete Three Strategic Railways in Manchuria

(By the Review's Harbin Correspondent)

OF late, it has become increasingly difficult to keep a good record on the feverish railway building activities in Manchuria. Judging from the press reports, at present, the South Manchuria Railway is building no fewer than eight different railway lines, all of them being built allegedly by a special charter from the "Manchukuo" Government. Of these, three lines of outstanding importance,—the Heiho (Amur) Railway, the Tumen-Ningan Railway and the Jehol Railway,—are said to be on a fair way to completion. December 1 marked the opening of provisional traffic along certain sections of these railways, indicating a fair success achieved by the builder since the undertaking of this stupendous task.



Map showing Railway Systems of Manchuria and Korea

Strategic considerations in the building of all these railways seem to predominate over all other motives. The so-called Heiho Railway extends from the "crescent" formed by the Tsitsihar—Keshan and the Hailun-Hulan railways to the north, terminating at Taheiho, opposite Blagoveschensk on the Amur. It is reported that the southern section of this line, between Tungpei and Chengching (Taerdian), 136.8 klm. long, has been completed, permitting provisional traffic to be opened on December 1.

The strategic importance of this line is obvious. When completed, it will bring the hitherto isolated region of Taheiho into direct communication with Harbin and Tsitsihar, both of which are Japanese strongholds in North Manchuria. Even now, when the line is only half-built, it enables the Japanese high command to throw troops to the north, immensely facilitating the defence purposes. The line runs through a mountainous country, covered with thick forests, which have hitherto sheltered innumerable bands of "bandits" and Chinese volunteers, whose activities, with the completion of this line, will undoubtedly be greatly hampered.

The Soviets seem to be rightly perturbed by the completion of this line. Taheiho, or Sahalian in Russian, lies directly opposite Blagoveschensk, an important administrative and military center in the Russian Far East. It is said that the Russians have converted the environs of this town into a fortress of considerable strength, so, in case of war, it is presumed that both sides will deliver initial shocks in this region. One of the strongest Russian airbases in the Far East is said to be located somewhere between Blagoveschensk and Bochkarevo, a station on the Amur Railway, which therefore menaces not only Taheiho and its new railroad, but also Tsitsihar Harbin, and other towns in the Sungari valley.

The importance of the new railroad from the economic point of view is certainly far less. As said, it traverses a wild country, the economic value of which seems to be rather in the future than in the present. A most fertile region, which sometimes is referred to as the Granary of North Manchuria, lies considerably to the south of the area traversed by the new road. It is served by the three different railroads, encircling it from all directions. Therefore, the region affected by the new railroad is only that through which it passes, namely, Tungpei, Lungmen, and Aigun hsiens of Heilungkiang Province, all of which are certainly far less populated and developed areas than any other area in North Manchuria.

The population of Tungpei and Lungmen hsiens seems not to exceed 60,000 (cf. *The Manchuria Monitor*, 1932, Nos. 6-8). Considerable part of the area being under forests, namely, about 40 per cent thereof, some future seems to be in store for the lumber industry. As regards the surplus grain, subject to exportation, it is believed to be rather small, 70-80,000 tons annually, at most, against 400,000 tons of grain exported annually by the Hulan-Hailun Railway alone from the district immediately to the south of Tungpei, the southern terminus of the new railroad.

In adopting the present direction of the new line, the Japanese seem to have followed the plans formerly favored by the Russians. They intended to lay it from Harbin to Blagoveschensk approximately across the country now traversed by the Hulan-Hailun and Heiho railways. It was then to have been taken up by the Chinese Eastern Railway, but did not materialize because of the Russian Revolution and subsequent political developments. The plan was again revived in 1924 by the Heilungkiang Provincial Government, which, for the building of the new line, entered into a contract with Skidelsky Brothers, an important Russian concern in Harbin, now bankrupt. However, the plan was again dropped, the authorities taking the task upon themselves.

The Chinese authorities intended to lay it along the Nonni River, across the country farther to the west than the present course of the railway. A considerable part of the Chinese plan has already been fulfilled, namely, a railway has been built from Nungnien, a station on the Tsitsihar-Keshan Railway to the north, connecting it with Noho, midway between Nungnien and Mergen (Nunhsien). It is understood that the remaining section of this line, between Noho and Mergen, is now under construction. However, it is not quite clear whether a line will be built or not between Mergen and Heiho. Incidentally it should be remarked that this plan of building a railroad from Tsitsihar to Taheiho via Mergen was first worked out by a Chinese engineer, Tsin Ho-chan, and was, prior to the Manchurian Invasion, on a fair way to completion.

The work on the remaining section of the Heiho Railway is being pushed forward feverishly. According to the present plans, it will be completed next year, in which case it will be possible to travel from Dairen to Taheiho practically on a through schedule. At present, the communication between Taerdian, the present terminus of the railroad, and Heiho is being maintained by regular 'bus service. Similar service is maintained between Mergen and Heiho. It is of interest to ask in this connection, What is the present Japanese population in this newly opened up region? It is not big,—according to the Japanese reports, on Oct. 25, this year, it consisted of 2,267, distributed as follows; Heiho—546, Peiyan—1,477, and Hailun—244, excluding of course the troops and policemen.

The "Tunning" Railway

Another railway, for the early completion of which no efforts are being spared, is the Tumen-Ningan Railway, the construction of which was started, also by the South Manchuria Railway, early in spring of this year.

It starts from Tumen, on the Tumenkiang River, near the Russo-Korean frontier, and runs northward along the Hailangho, a tributary to the Tumenkiang. Upon reaching the Laosungliang Range, the line climbs it, and then comes down to the Malienho, flowing into the Mutankiang River, some distance below Tshin-Buhu Lake. At the time of writing, the line has been completed up to Ningan, a distance of 250 klm. from Tumen, the provisional traffic along same being opened on December 1. There now remains only a small portion between Ningan and Mutankiang, which is expected to be completed early in next year.

The Tumen-Ningan Railway is to be continued still further to the north, ultimately reaching Ilan (Sansin) on the Sungari River. The work is being hurriedly pushed forward from Mutankiang station of the C.E.R. For the new line, a viaduct is being built

over the C.E.R. track at a place some four kilometers to the east of the station building. Hitherto, Mutankiang has been one of most insignificant places on the eastern line of the C.E.R.; now it is a place bustling with new life. A year ago its population did not exceed 1,500; now it is a town of 25-30,000, with every indication to grow still further. In this respect, it is following the example of Tumen, which, out of a fishing hamlet of the humbliest type, has grown into a bustling railway center (cf. my article in *The Review* for October 20, 1934).

The line traverses a rich agricultural country, abundantly producing soya bean, groundnut, and other crops, typical of North Manchuria. The Ningan (Ninguta) district is famous for its wheat, which is considered to be of the best quality in all of Manchuria. According to the estimates of the Construction Bureau of the S.M.R., which now builds the line, the new railway will be able, when completed, to handle something like 200,000 tons of agricultural products every year, which, at present, is being shipped via the C. E. R. Therefore, it is obvious that, when completed, this railway will be one of the strongest competitors of the C.E.R., diverting practically the entire cargo from its eastern line towards Korean ports in the south.

The Laosungling Range is covered by a thick forest which has had very little ecomomic value. From this region, some insignificant export of timber has been conducted by rafts along the Mutankiang River northward to the C. E. R. The extensive rafting could not have been done because of the presence of a waterfall on the river, which greatly impedes this operation. The construction of the railroad through this district will undoubtedly hasten up the development of timber industry; already, the Japanese interests are constructing a paper mill near Mutankiang.

The extension of this line up to Sansin on the Sungari will have far greater consequences than those of its southern section. In that case, two-thirds of the river cargo, which is being now shipped via Harbin, will be diverted by the new railway towards Tumen and Korean ports (cf. *Kokutsu* message dated Oct. 5). This year, the total cargo handled by the Sungari fleet amounted to 300,000 tons of soya beans, 170,000 tons of coal, 80,000 tons of foodstuffs, 70,000 tons of flour and 50,000 tons of general merchandise all of which were shipped via Harbin, and represented an increase of 25 per cent over the shipments of last year. Undoubtedly, with the completion of the new line, a greater part of this cargo will be shipped by rail rather than by water.

It is not known when the Mutankiang-Sansin section is likely to be completed. Judging by the present tempo of work, it is well to presume that it will be completed within next two years. According to the press reports, the line will run strictly along the Mutankiang River, which also flows through the mountainous country, thickly covered with forests. It is said that, at some places on the river, there have been found signs of the presence of alluvial gold, which gives some hope for development of gold mining in the district. At present, it is a wild country, sheltering innumerable gangs of anti-Manchukuo "bandits" that have been harassing the eastern line of the C.E.R. in recent times.

A mention must here be made of a new branch line that is being laid between Kuiju (North Korea) and Hunchun, a Manchurian town near the Soviet frontier. It is 24 klm. long and is to serve as a feeder to the Nanyo-Yuki Railway on the Korean side. At present, a railway bridge is being built across the Tumen near Kuiju. Unlike all other lines, this branch line is being built not by the S.M.R., but by a private Japanese company, and, according to reports, is to remain in its exploitation in the future. The line will be opened to traffic on January 1, 1935, it is said (cf. *Kokutsu* message dated December 12).

The Jehol Railway

The third railway, formally opened to traffic on December 1, is the so-called Jehol Railway, which connects Chingchow, on the Peiping-Mukden Line, with Lingyuan in Jehol Province. The Chingchow-Peipiao section of this line has, for several years, been in operation as a part of the Peiping-Mukden Railway. The Japanese have, however, extended it still further to the west, namely, from Kowpeiyingsu (Tapan), near Peipiao, towards Chaoyang and Lingyuan, for a distance of 156 klm. (the distance from Ching-chow to Tapan is 97.5 klm.). The construction of this line was begun in March, 1933, but was greatly impeded by the operations of the anti-Manchukuo "bandits." It required a year, it is said, to complete the line up to Lingyuan. At present, it is being extended towards Jehol, the capital of the province. A branch line, connecting Chaoyang with Chihfen, in the north, is under construction, and will probably be completed soon.

The strategic and economic importance of the Jehol Railway is obvious. Together with its Chihfeng branch, it will open Jehol, which has been one of the most backward regions in "Manchukuo," to the Japanese exploitation, incidentally menacing, from the military point of view, North China and Outer Mongolia.

Harbin, December 13, 1934.

"Manchester Guardian" Succinctly Discusses Naval Conversations

"The naval conversations at London have reached a position which should be familiar from such conferences of recent years," the *Manchester Guardian* declared Dec. 14.

"As was seen at Geneva during the Manchurian discussions, the Japanese have been unvarying at the conference table. The United States delegates, less impressed with mere words either now or some definite time in the spring, seem to think that the conversations will soon resemble the sleeping beauty who had better be left to her rest until the arrival of Prince Charming who has the chance of wakening her to real life again but whom at the moment they do not foresee.

"The real question," the paper continued, "is not how to prevent Japan's having a certain number of ships, for no one can or should prevent her if she insists upon building them, but how, rather, to re-establish in the Pacific the peaceful system which has broken down. Japan, within a large area, is a dominant military power. That wouldn't matter, for she has been so for a good many years and the addition of a few expensive ships to her fleet will not in itself vastly alter the realities of the situation.

"The alteration lies in her abandonment of the 1922 system, which included the limitation of armaments. No remedy is to be found in the power of politics of the past.

"The security of the Washington system lay in its comprehensiveness and all governments who shared it have now to think hard what they intend to put in its place.

"What is certain is that they will have to work together, whether formally or informally in upholding the 1922 political principles, not in making exclusive arrangements with a point against anyone, and not forgetting that the Japan, which made and for some years fulfilled the Washington Treaty, was moderate in character and that the present direction of the Japanese policy may not after all be permanent," the paper concluded.

New York Speaker Suggests Japan's Offer Should be Accepted

Full and complete acceptance of Japan's reported offer of her willingness to abolish battle-ships, aircraft carriers and big cruisers was advocated by Frederick Libby, the executive secretary of the National Council for the Prevention of War, in a speech in New York, Dec. 15. Mr. Libby contended that the underlying cause of practically all wars have been economic problems, and that as the United States is, and probably will continue to be, Japan's best customer, the grave economic difficulties which so often lead to armed conflict, should never arise between the two great nations of the Pacific. Mr. Libby declared that it was to the economic interests of both nations to keep relations between Japan and the United States friendly and cordial, and that he believed that such common interests form the most important factors that can ever be had between two nations for the preservation of peace. The speaker depreciated the belief in some circles that the United States needs a big navy in order to help China. "China," said Mr. Libby," has, during the past 4,000 years shown great capacity for protecting herself and absorb her conquerors.

"For the United States to mix in China's quarrels wouldn't diminish China's sufferings. We've abandoned our efforts to police Europe and Latin America. Why should we try to police Asia?...Enlightened self interest will be a far more effective curb on Japan's relations with China and Russia than the threat of war with the United States."

France and Russia Allegedly Combine Against Japan and Germany

A military agreement between France and Russia, evidently aimed at Japan and Germany, was finally formally accepted at Geneva on Novenber 22 by Pierre Laval, the French foreign minister, on behalf of France, and M. Litvinoff, the Soviet foreign commissar, on behalf of Russia, (according to the London *Star* Dec. 18.) It is provided that if Russia is attacked by Japan, France undertakes immediately, without request or consultation, to supply war materials to Soviet Russia not exceeding the value of 4,000,000,000 Francs, while in the event of a Franco-German war, the Soviets will furnish France with grain to the same value.

Possible Arms Accord Between England and Japan Alarms U. S.

Rengo's staff correspondent telegraphed from London Dec. 15 that the proposed Anglo-Japanese collaboration on the basis of a compromise was reported to have caused grave anxiety among the member of the American delegation. The *China Press* headed the news: "Briton-Nippon Parity Accord Alarms Yanks."

Six Years of Legislation Under Nationalist China

BY C. Y. W. MENG (孟昭涛)

ON November 5 of the 23rd Year of the Republic, in the Legislative Yuan at Nanking, the law-making body under Nationalist China, spent the whole day in celebrating the sixth anniversary of the founding of the Yuan.

China's Civil Code

Of all the works undertaken by the Legislative Yuan under the able administration of Hu Han-min its first President, is the drafting of China's Civil Code. The new Civil Code follows in its theoretical portions the principles which the modern juridical science is spreading steadily all over the world. This, as has been pointed out by Mr. Hu, is to remove the discrepancies due to the dissimilarity of the various national legislations, thus facilitating the development of international relations. But on the other hand, in order to meet the geographical, economic and demographic needs of a country with so many diversified regions as China, a number of old customs must be maintained in the present Code, principally in the matter of real rights.

By embodying in it the principle of the Kuomintang the Code is given a decidedly social turn. The personal activity of the citizen is directed by the Code so that it may be most advantageous for the community to which the individual belongs. This particular feature distinguishes the new Code from the individualistic legislations of Europe and America as well as from the former Chinese legislation of the old familiar type.

Law of Domestic Relations and Succession

The drafting of the Law of Domestic Relations and Succession was completed and was promulgated by the National Government on December, 1930. The greater part of the Law deals with the securing of equal status for women. Under the new Law concubines do not enjoy legal status any more. The duty of a wife to obey her husband provided in the legal code is not recognized by the new Law.

The principle that unmarried daughters have the same rights of property inheritance as sons, which was laid down some time ago by the Supreme Court, is definitely incorporated in the new Law of Succession. Another feature of the new Law is that a heir is not liable for the whole of the debts of the deceased and may, if he so chooses, limit his liability to the value of the estate inherited. Also the new Law, while regarding the right of disposing property at will, provides for a certain portion of the estate, known as the "compulsory portion," of which statutory heirs can not be deprived by testamentary disposition. In other words, while there is no doubt that the Chinese women are already emancipated, the new Laws give the emancipation legal basis and validity. Henceforth the Chinese women can have recourse to legal protection in the struggle for civil equality with men.

Commercial and Labor Laws

In carrying out our program of furthering the ideal of democracy and healthy industrial expansion, thus giving adequate protection to the existing enterprises and affording encouragement for exercising greater initiative in stabilizing the welfare of the people and to improve the well-being of the labor classes, we need more adequate commercial and labor laws. The Legislative Yuan, in the past, has drafted many laws of this kind, and we may mention some of them:—

Laws and Regulations	*Date of Promulgation*
Law of Copyright	May 14, 1928
Special Industrial Encouragement Act	July 31, 1929
Law of Chamber of Commerce ...	August 15, 1929
Negotiable Instrument Law ...	October 30, 1929
Company Law	December 26, 1929
Insurance Law	December 30, 1929
Trade Mark Law	May 6, 1930
Mining Law	May 26, 1930
Land Law	June 30, 1930
Banking Law	March 28, 1931
Salt Law	May 30, 1931
Business Tax Law	June 13, 1931
Forestry Law	September 13, 1931

In both the Sino-American and Sino-British commercial treaties of 1903 which are still in existence express provisions were made regarding the trade mark, copyright, patent rights, etc.,—all these are purely Chinese domestic legislative problems, yet the Sino-foreign treaties took great pain to make many provisions for them. By the promulgation of these laws, it should render all these provisions in the treaties *ipso facto* abrogated.

Since 1929, China has attempted to draft a comprehensive minimum code of labor legislation. The aim of this legislation, as pointed out by Chen Kung-po, Minister of Industries, is twofold: First, it is to: provide means of protection for workers' interests in order that China may have a happy group of workers and a healthy labor movement. Secondly, the legislation aims at facilitating the industrial development in China; and thus we may hope that modern industry in China will have a fair chance of growth without such abuses as have happened in other countries. The movement of labor legislation and trade unionism in China will have profound effect upon the world development of labor welfare. In drafting these labor laws for China, which by no means is an easy task, the Legislative Yuan has taken keen interest in this movement, and has done its best to further such a forward-looking movement as the International Labor Conference. We may mention some of Chinese labor laws:

Laws and Regulations	*Date of Promulgation*
The Trade Union Act	October 21, 1939
The Factory Act	December 30, 1929
Act Concerning the Settlement of Disputes between Employers and Employees	March 17, 1930
The Factory Inspection Act ...	February 10, 1931

Besides, there are many other regulations governing the Organizations of Trade Union Congress, Seamen's Union, Railways Workers' Union, Postal Workers' Union, Telegraph Workers' Union, etc.

China's Criminal Code

Students of the Chinese legal history will no doubt agree that no discrimination was made in China between the criminal laws and the civil law in the old days. They were not even made separate under the world famous Great Ching Code, the master piece of its kind. Criminal punishments were often applied in pure civil matters. All the legal principles relating to crimes were absorbed in the old literature and scholastic treatises. We may, therefore, say that whatever indication in the Chinese history that marked the birth of codification of law represented that of the criminal law.

The Criminal Code gives adequate definitions regarding what constitutes "criminal intentions" and negligence. Regarding the capacity for committing crimes, instead of a sweeping provision fixing the age, the Code goes further and lay down various rules for applying to juvenile offenders of varying ages. Consideration is shown for the first time to the feeble-minded offenders whose punishment is reduced. Regarding self-defence and self-protection to avoid any danger, the Code contains explicit limitation. The Code strives to make its provisions agreeable to the juristic attitude of the Chinese people, and the Code has been framed in the light of the changed and changing social phenomena.

All these and many other innovations represent the efforts of the codifiers of the Code to modernize the Chinese criminal law, in accordance with the principle of the Kuomintang and in the light of western precedents and new development in criminal legislation.

The Code together with Criminal Procedure have just been revised and published. By the revision, instead of only punishing a wife for committing adultery, the revised Code would also punish the husband for committing the same crime, thus greatly gratifying the feminists in China, who concluded that the Code has treated both sexes with equality.

China's 5-Power Constitution

Another fine work which the Legislative Yuan has accomplished under the able administration of Sun Fo, is the drafting of a "Permanent Constitution" for China. In his speech on "Some Constitutional Problems In China," Mr. Sun, in explaining the general principles of the Constitution, and the meaning of Article 1 of the Constitution (The Republic is a Republic based upon the Three Principles of the People (San Min Chu I), said, "Most people failed to realize the fact that the Chinese Republic is a product of the Revolution and the constitution is a guarantee of the Revolutionary result. To designate China as a "San Min Chu I" Republic expresses her revolutionary spirit and indicates her republican origin. By aiming at racial equality within and universal fraternity abroad, China strives to be nationalistic not imperialistic. By providing the people with the powers of election, recall, initiative and referendum, China strives to have a democratic, not merely a representative government. By equalization of land ownership, regulation of capital and development of national industries, China strives to obtain for her people economic equality and sufficiency, not to be capitalistic or communistic".

Dealing with rights and freedom of the people, the president quoted the saying of our Late Leader when he said that "Only the State has freedom but not the individuals." So Mr. Sun agreed that the constitution could only provide some general principles for the protection of the rights of the people, leaving the laws to provide the details. According to the opinion of our learned president, what China is to adopt today is not the system of concentralization or decentralization, but rather the system of "equilibrium of powers"—that is the division of powers between the central and local governments. So the draft constitution gives very clear demarcation of the powers between the central and local governments. According to the draft constitution, the president of the Republic is to exercise some actual powers.

Local Self-Government Law

Another law which is under the discussion of the Legislative Yuan is the Local Self-Government Law—the drafting of which is

equally a stupendous task and the completion of which should constitute another masterpiece of work by the Yuan.

Treaties and Budgets

Another important task of the Legislative Yuan is to examine and approve the annual national and local budgets, and the bonds issued by the central and local governments. A perusal of the reports of the Yuan will reveal to us that the Yuan is not only quite busy in making laws for China, but also in examining and approving the budgets. To speak of the past half year—(June 1933 to November 1933) alone, the Yuan has examined and a approved the budgets for the year of 1932 for the provincial Governments of Shantung, Honan, Anhwei, Hupeh, Kwangsi, Hopei, the Municipalities of Nanking, Greater Shanghai, Peiping and Tsingtao, and the Special District of Weihaiwei, besides examining and approving the Regulations governing the issuance of short-term Silk Industrial Bonds for Chekiang Province for the year 1932, the Public Bond for Hunan Province for the year of 1933, a short-term Bond for the Relief of the War Districts in the North for the year of 1933, etc. That so many provinces and municipalities have submitted their annual budgets to the Yuan for approval indicates—let it be pointed out—that the Central Government has now exercised more control and power over more provinces, and that China is getting to her right political track. This is one of the most hopeful signs in the Chinese political developments.

The years after the establishment of the National Government in Nanking have witnessed the conclusion of a series of commercial treaties with foreign powers, which have to be submitted to the Legislative Yuan for examination, approval and ratification. To be sure, these treaties are concluded based on the principles of equality and reciprocity; for the Chinese legislators of the present day would not consider any treaty which is "unequal" in nature. The only treaties which were not submitted to the Yuan for approval are the infamous "Shanghai Armistic Agreement," the disgraceful "Tangku Agreement," and humiliating "Sino-Japanese Agreement for opening of Through Railway Traffic between Peiping and Mukden," for they were regarded as only "local matters".

In other words, during the six years of its short existence, the Legislative Yuan has done good work in making so many modern and adequate laws for China, in order to make a "government of laws" possible.

Nanking, November 6, 1934.

Quo Tai-chi Asks China Association to Spread Story of Progress

Replying to the president, Sir George MacDonogh, Quo Tai-chi, the Cbinese minister to London, speaking at a banquiet at the China Association in London Dec. 17 suggested that the Association could chiefly promote Anglo-Chinese relations by inspiring the British public with a better understanding of China and the reconstruction work she was accomplishing.

Mr. Quo emphasized that a strong China was the greatest factor for world peace. The Chinese market, he declared, was a most potent influence for world trade. The Chinese minister stated that he was fully aware that there were some arrears in existing contracts, but contended that China's record of meeting foreign obligations compared more than favorably with that of some other countries.

He stressed the dependability of trade with China and declared: "Many appreciations have been received from China of the many-sided activities and understanding of Sir Alexander Cadogan, the British minister to China,"

Mr. Quo said that the numerous Chinese financial, judicial, transport and aviation missions to England this year had strengthened the links of traditional friendship between China and Great Britain. China's full development, he said, depended upon political security and stability in the Far East. He urged that British and American statesmen combine as they did at Washington in 1922, to maintain the vital principles crystalized in the Nine-Power Treaty.

A strong and prosperous China, he concluded, was as surely of British interest as of world interest.

⁂

Construction of New Fish Market to Be Started on New Year's Day

Construction of the largest fish market in China, occupying an area of more than 50 mow in Yangtszepoo and involving a total cost of $1,000,000, will begin on New Year's Day in the presence of Chen Kung-Po, minister of industry, who will come to Shanghai on that day for the special purpose of presiding at the ceremony. The business of the market will be organized on an extensive scale, comprising four departments, General Office, the Cold Storage, the Granary and the Fish Market. A radio station is also being erected to broadcast quotations of fish and other prices.

Kiangnan Railway to Issue Bonds to Build Extension

The Kiangnan Railway Company has decided to issue bonds to the amount of $3,000,000 for the building of the Nanking-Holiki (Anhwei) section of the projected railway between Nanking and Shao-an, on the Fukien-Kwangtung border. It is understood that the Ministry of Railways will be responsible for the payment of interest, and the National Reconstruction Commission will be requested to guarantee the amortization of the principal.

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Viola Smith Completes Historic Motor Trip to Changsha and Back

Miss A. Viola Smith, American trade commissioner, returned by motor-car from Changsha Dec. 15, stationed in Shanghai, with Emil S. Ficher of Tientsin, expert linguist and motorist, thus completing a history-making auto tour. Miss Smith left Shanghai 10 days previously, arriving at Changsha Dec. 12. She left Changsha the follow day, and in three days, 30 hours actual driving time, completed the 781-mile trip home.

Miss Smith's route was as follows: Shanghai, Hangchow, Tungen, Kienteh, Lanchi, Chuhsien, Kiangsan, Yushan, Shangjao, Hokow, Kweiki, Yukiang, Tsinsien, Nanchang, Kaoan, Sinchang, Wantsai, Liuyang, Changsha. Some of the roads were opened only last month.

Mr. Fischer has in the meantime returned to Tientsin.

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Drought Relief Work in Ningshu Makes Good Progress

The Ningshu (Nanking) Agricultural Relief Association, working in co-operation with Chinese-Foreign Famine Relief Committee of Shanghai, is carrying out a program of drought relief which affects practically the six hsien around Nanking. In the Kiangpu and Liuho hsien where over 65% of the rural population have been affected by the drought, and, no doubt, are going to have a terrible time during these winter months. Nine labor projects are being carried out, employing, as laborers, refugees recruited from the drought-affected areas. These projects involve a total of over 121,200 kung or labor days, and if they are to be completed within the next three months, 1200 to 1,300 men will have to be employed daily, and it means that 7,000 to 8,000 of the most needy people will be adequately relieved during the winter months.

In Kiangning, Chuyung and Lishui, 135 granaries have just been established and over $54,710 have been loaned out from these granaries to the small farmers. It is estimated that at least 1,890 needy families, or 11,340 persons, have been benefitted in this way.

According to a report, the drought conditions in Kaoshun hsien, about 50 miles south of Nanking, is as bad as that found in Kiangpu, having over 257,000 mow, or 53% of the total cultivated area affected. For the relief of this hsien the Ningshu Association has been entrusted by Shanghai Chinese-Foreign Famine Relief Committee to distribute $15,000, and has sent Tai Mingsing to Kao-shuan to discuss with the local magistrate and gentry concerning the best methods of relief to be immediately carried out in the worst affected areas. It has been practically decided that a program of labor-relief similar to that in Kiangpu will be carried out, and that able-bodied sufferers be recruited for such work as reclamation, deepening of water-ways, and dyke repair. If the pay is at the rate of 30 cents per laborer, $15,000 should provide work for at least 550 men for a period of three months, and it means that approximately 3,300 people will be relieved during the coming winter months.

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Prevalence of Smuggling in China Discussed in House of Commons

Attention to the widespread smuggling in China, caused, he alleged, by the high tariffs now in force, was drawn in the House of Commons Dec. 17 by Alan E. L. Chorlton, National Conservative member. Sir John Simon replied that the number of preventive vessels used by the Chinese authorities had been increased and, in the circumstances, he did not feel that any special instructions were necessary.

Prominent St. Louis Pastor Will Preach at Community Church

The Rev. Dr. Ivan Lee Holt, pastor of St. John's Methodist Church, St. Louis, has obtained a five-months leave of absence, beginning in January, during which he will fill preaching engagements in China and Australia.

For three month Dr. Holt will be visiting pastor at the Community Church in Shanghai. From here he will go to Melbourne, Australia, where he will address the triennial general conference of the Australian Methodist Church.

Chinese Railways

Nanking-Shanghai and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Nanking-Shanghai Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

The Fate of Disarmament and Nine Power Treaties Hangs Heavily Upon Japanese Minds

BY THE REVIEW'S TOKYO CORRESPONDENT

(Translations from various Japanese publications)

THE questions of the petroleum oil monopoly by Manchukuo government and the notification of the abrogation of the Washington Naval Treaty have greatly contributed to recalling in the minds of the Japanese the mission of international agreements. As there prevails the idea that the Nine Power Treaty is inseparably connected with the Washington Treaty as is clearly stated by Takeyo Nakatani and Kojiro Sugimori, on p. 37 and 39 of December issue of the Ishin respectively, it must be that the people cannot discuss disarmament without picturing in mind the fate of the Nine Power Treaty. Consequently, as time goes on and discussions on the disarmament becomes heated, the Nine Power Pact will revive more and more vividly and hang heavier in their minds.

The following are views on the Washington and Nine Power Treaties by responsible persons of the country.

Britain and America Disregard the Spirit of Treaty Conclusion

Unosuke Umezaki (梅崎卯之助), *Naval Educational Dept., Serupan, Dec:*—The Article 23 of the Washington Treaty clearly recognizes the right of notifying the abrogation of the treaty and thereby nullifying it in 1936. In spite of this, in Britain and America they criticize the notification as "unexpected" or "forceful action." If this is done only for demonstration's sake, we have nothing to say, but if this represents the true minds of Britain and the United States, we may declare that it is these Powers that trample upon the spirit of treaties. Japan has never been defeated or given in at any engagement where is the reason for her having to stand the pressure of irrational treaties.....In America they contend that they cannot understand the motive of Japan's coming forward to abrogate the treaty which she had been willing to materialize. But, how could we conclude such a treaty if it had omitted the clause providing for the freedom of the abrogation of it in 15 years and of revising it before the expiration of the term?

Washington Treaty is for Destruction of Peace

Kichizo Mizutani (水谷吉藏), *Gaiko Jiho, Nov. 15:*—To sum up all these, the Washington Naval Treaty is founded upon the belief that "it is hopeless to seek for the maintenance of peace" and this clause represents the life of the Washington Treaty. Even if some revision is effected, therefore, it would do no good to Japan, because the basic principle of the conclusion of the treaty lies in the destruction of peace and acquisition of sway by the United States. Japan mistook the treaty as the means of the genuine protection of peace.....The true motive which America proposed to create the treaty is well understood in President Hoover's speeches in the House of Representatives on Dec. 2, 1930, outlining America's aggressive policy toward the East.

Treaties Ought to Be Flexible

Minoru Maita (米田實), *Serupan, Dec:*—To put all these in a nutshell, the treaty is not immovable like a foundation stone. Even before it has expired it can be altered in accordance with the change of circumstances. Therefore, after the expiration of the term it is far more easy to revise it. It is generally agreed among a number of learned men that, in case the situation so changes that a treaty Power finds it no easy matter to fulfil the treaty obligation, the particular country could abrogate the treaty. The Article 21 of the Washington Naval Treaty endorses this fact.

Katsumaro Akamatsu (赤松克麿)—*Tokyo Keizai, Nov. 17;* In the world today there is no real peace which satisfy all human beings. One or two big Powers dominate the world under some plausible pretext. It is but quite natural that Germany, which was so mercilessly treated by the League of Nations, assumes an antagonistic attitude. The present-day peace of the world is built up in accordance with the convenience of such an atmosphere are such that will protect the interest of those Powers at the expense of smaller nations. . . . . It is proper to abrogate the existing realities.

Fumimaro Konoe (近衛文麿)—*Ishin, Dec:* That there is fundamental difference of views between Japan and Western countries concerning questions on principle, is because when they are "saturated countries" Japan is the country in the making. The grown up countries find it to their interest to maintain status quo, and they are intent on advancing along the line of maintenance of status quo by means of the League of Nations, Nine Power Treaty, Anti-War Pact and other such international agreements. Since the time of the Paris Peace Conference Japan, upholding internationalism and cooperation principal which then prevailed the world over, joined Western countries in maintaining territorial status quo. But all this movement was started on condition that there should advent the world where immigration and commercial trade could freely be done among any countries. The result, however, is that these Western countries continued the movement for the exclusion of colored races not only in their countries but also in the home land of those Asians, and for shutting their doors against the inflow of manufactures, and at the same time they have been demanding the Far East to open its doors and give equal opportunity.

Tadao Sato (佐藤忠雄)—*Ishin, Dec:* (A chief of the Intelligence Bureau of the Foreign Office) The treaty is to be concluded on the condition that the circumstance under which it is materialized continues unchanged. And it is to be said that a material change of situations no more retains the essence of the treaty; it should be revised in conformity with the shifting circumstances. This way of reasoning persuades me to regard such treaties as the Nine Power and Anti-War Pacts that are devoid of terms until which they shall remain in force, are not provided with the genuine character of a treaty. . . . Those countries which find it to their benefit to maintain status quo such as Britain and America —as far as the Nine Power Treaty is concerned—try to steer the situation to their favor from judicial standpoint, whereas those which have to follow the changing situations base their activities on the shifting circumstances. This explains why America's discussions on open-door and equal opportunity based on provisions of treaties do not hit Japan on a tender spot. In other words, neither of the two countries attacks the other's headquarters. America, too, must sooner or later do something with the Nine Power Treaties, for if she connives at the present state of Japan America's dignity would be marred in consequence. However, it appears America realizes that by dabbling in the affair on judicial ground she would bring no salutary effect. In my idea there are two courses open for Japan in her effort to deal with the affair, one of which is to notify of the treaty's having lost its effectiveness in consequence of altered situation and the other is to ignore the affair by keeping silence on the ground that its effect has become extinct consequent upon the change of circumstances.

Japan Is Racially Destined to Break Treaty Fetters

Takeyo Nakatani (中谷武世) *Ishin Dec:* Between the young energetic Japanese who are intent on the destruction of the existing structure of the world and the Whites who are bent on sticking to status quo there is insurmountable gap and they conflict each other. This conflict and contradiction have tranformed themselves into the whirl-pool centring around the disarmament question..... The rise of the Japanese and the Oriental races, with Japan as its vanguard, has ever been attempting to destroy the international fetters, and this effort has culminated in the movement of the Japanese to abrogate the Washington Treaty..... The rise and progress of young Japan depends upon how bravely she continues frustrating the existing disarmament agreements, and this effort of the Japanese nation also decides on the fate of other colored races. Consequently, if Japan shows lukewarm, weak-kneed attitude in dealing with the disarmament conference, the confidence placed in the Japanese by the Orientals would have to waver, and the Whites' greed for supremacy would be further whetted.

Japan May Be Held Morally Responsible

Hikomatsu Kamikawa (神川彥松) *Gaiko Jiho, Nov. 15:*—In the event of no treaty is newly concluded by the end of 1936 in place of the existing Washington Naval Treaty after it is abrogated by notification from Japan, there is possibility of our having to shoulder political and moral responsibility for the action. Of course in notifying the abrogation of the treaty Japan does nothing judicially wrong, but, since the Washington treaty is a naval limitation agreement pertaining to the relations of influence among the world five largest naval Powers and since its existence is regarded as having done an enormous service to the peace of the world, Japan should be prepared to be held responsible for not fulfilling moral obligation if such a treaty has been abrogated by the free will of Japan . . . . . Since, however, she has already decided on the course to be taken, she should centre her entire energy upon the conclusion of a new fair and just treaty to replace the old one.

Treaty Abrogation Will Not Improve Japan's Stand

Retsu Kiyozawa (清澤冽) *Toyo Keizai, Nov. 17:*—Some people voice the need of emancipating the Asiatic races. But, can such be possible if Japan stands with all the treaties abrogated? Would the colored races come following the banner of Japan which has no international tie through treaties? It is through such fear that China, Philippines, India and other hesitate to follow Japan. Such

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being the case I do not consider the abrogation of international agreement will bring any improvement upon Japan's standing in the world.

Minoru Maita (米田實),-*Toyo Keizai, Nov. 17:* Once we have concluded a treaty we must not abrogate it arbitrarily, but, observing international usage, should take up the talk on the abrogation with other parties. In the event of their refusing to acceed to the demand for the revision of the treaty under one pretext or another, however, we may regard it as abrogated. Japan should bear in mind that it would be to their benefit to follow the footsteps of other Powers.

America Confounds Present-day Japan with 1899 Japan

Kojiro Sugimori (杉森孝次郎),- *Toyo Keizai, Nov. 17;* It is as clear as day that contemporary Japan is far more advance in actual strength that at the time the Washington and Nine Power Treaty were concluded. Consequently, there, Japan made a tremendous stride since 1899 when John Hay attempted at practising open-door policy in the Far East. No country in Europe has made so marked a stride in so short a space of time. Britain and America, however, have the tendency to regard the grown up Japan as an infant she was in about the year 1899 and confound the present-day Japan with that of 1899. . . . It is to be broadcast to the world that the fast growing Japan cannot uphold the Nine Power Treaty as it is at present.

Gambling Den Permit "Procurers" Jailed and Fined

Yang Ying-chu, leader of a gang of persons who claimed to be able to obtain licenses for operation of gambling dens in the French Concession, on payment of $45,000 each, was sentenced to six month's imprisonment by Judge Tsang at the Second Special District Court Dec. 19. Another was given a three-month term, while four persons were fined $200 each. They were convicted on charges of having organized a criminal gang despite the police prosecution under charges of attempted fraud. Two others were acquitted.

The case attracted much attention in view of the prominent names involved. The gang had claimed that with the departure of Consul-General J. Meyrier, they would be able to obtain the licenses, while one of them is alleged to have posed as a counsellor of the Chinese Legation in Paris.

Sir Victor Sassoon Suggests that U.S. Buy Silver from India

Sir Victor Sassoon, prominent Shanghai financier and property owner, in an interview during the week proposed a plan to meet American needs for more silver by a purchase arrangement with India that would avoid the damaging drain on China's reserve.

The plan envisages that the government of U.S.A. should approach the government of India and state its preparedness to take from India up to the same amount of silver bought by India from America after the war at the original purchase price. This would transfer surplus silver from the Treasury of the Indian government to that of the American government. Further, the government of the United States would state definitely that they were not prepared to buy any old silver, but would place contracts with silver mines for new silver.

It should be noted that there is nothing new in Sir Victor's idea, it having been mentioned in the cables from India already more than half a year ago.

Ban on Silver Shipments Out of Antung

The Manchukuo government Dec. 14 instructed the Antung customs to halt further shipments of silver from that port. This order, coming close on the heels of instructions to Customs officers to prevent each person leaving "Manchukuo" to carry more than $50 in Tayang coins, was held by experts as reflecting the serious concern of the authorities regarding the silver currency situation.

Manchukuo Also Anxious About Silver Outflow

The Manchukuo Ministry of Finance has instructed the customs officials to keep a strict watch on the outflow of silver from the country. It is reported that the Ministry of Finance and the Central Bank officials are at present considering measures designed to prevent the serious exodus of silver from the country.

Inter-Racial Relations in the South African Union

BY JAMESON G. COKA

in the "African Observer" (Bulawayo)

The reader is referred to the editorial columns for a comment in connection with this article.—ED.

AS a human problem, the relations between two million Whites and seven million Blacks in the South African Union are subject to variation. At first they were antagonistic owing to the inter-racial wars which culminated in White supremacy. They then changed into those of inward and concealed hostility between conquerors and conquered. To-day, owing to the social, economic and political issues of the highest magnitude involved, they are further complicated.

As employers of Black labor, Whites occupy a higher social level. They belong to the master class, and their relations with their servants are of the simplest. There is no question of social equality on either side of the color line. This extends to the religious sphere where, theoretically, discrimination is non-existent. Black and White members of the same congregation worship in different church houses. Although many White parsons frequently preach to Black congregations, their Black colleagues seldom preach to White audiences. This partly explains the decline of church influence among modern Blacks, who see missionaries manifest the same color prejudice shown by politicians and employers. They consequently accuse them of mere hypocrisy and money-making.

Blacks Assert Claims to Equality

Blacks are in a transition stage of civilisation, while Whites claim to have 2,000 years to their credit. Cultural differences play a large part in restraining proper intercourse. Whites have been taught to despise Blacks as natural inferiors. Some of the latter resent this, and aggressively assert their claims to equality. Much antagonism, therefore, arises. Europeans look upon their efforts as those of parvenus and interlopers, and say they should run their cycle of 2,000 years before they are on parity with them.

Whites and Blacks do not get the same education. Curricula differ in the separate schools for Black and White children. Many plausible reasons are given for this differentiation. One is that Africans are mentally inferior to Europeans and therefore cannot assimilate the same knowledge. Needless to say, this erroneous conception has been exploded by the achievements of Blacks in every educational sphere in which they have had an opporunity. Different environment and background are advanced as reasons for separate and different instruction; the most important is the denial of equality between the two. However, the underlying reason is that the education of White children is a paramount duty of the State, while that of the Blacks is a voluntary question shared by parents, missionaries and other private bodies.

The Superiority Complex

The natural antagonism inherent between an upper and lower class is aggravated by the color issue. Psychologically this engenders a superiority complex based on no other ground than the color of the skin and the texture of the hair on the one side, and a slave-minded inferiority-complex on the other. The majority of Blacks, consciously or unconsciously, admit the superiority of Whites to be natural, pre-ordained and inevitable. In intercourse with them they become uneasy, unnatural and cringing, or aggressively bold and over-familiar when they meet with kindness from Whites. The latter look down upon them, and assume domineering and condescending airs. Thus both are superficial and ill at ease when they brush against one another.

These stimulated attitudes are due to many causes. Whites desire to maintain "white prestige" at all costs, whatever that may mean. To do so, they exaggerate their color prejudice, as is shown in the South African meaning of the word "public." It merely refers to Whites and excludes all non-Europeans. Thus, in Johannesburg and other parts of the Union, Blacks are debarred from boarding the same tram-cars with Whites, they are debarred from enjoying the amenities of public baths, libraries, newspaper files, swimming pools, museums, picture galleries, station waiting-rooms and, generally, every public institution is closed against them on account of their color. Their medical, educational and cultural needs are neglected, whilst those of Whites are fostered.

Poverty among them explains a great deal of these social disabilities. It is only natural for people who live on a higher plane to look down upon the hungry, poor and naked and indecently housed. They are, however, not to blame for their low standard of living, which is usually below the starvation level; hence disease, ignorance, superstition, starvation and death are the lot of thousands every year.

Natives Discriminated Against on all Sides

Wages paid to Africans have remained stationary for the best part of a quarter of a century, notwithstanding the kaleidoscopic changes and fluctuations in the cost of living and their growing needs and increasing expenditure. In comparison with White skilled laborers, their wages are almost the lowest for unskilled workers in the world, while the gap between the two is the highest. The laws of the country deny them the right of collectively bargaining for their labor. The Masters and Servants Act places relations between an employer and employee on a strictly personal level. It is a criminal offence for them to go on strike against insufferable conditions and drastic wage-cuts. As pass-bearers they are excluded from the benefits of the Industrial Conciliation Act which purports to uplift the standard wages and working conditions of workers. Wage Board determinations hardly extend to them. Their trades unions are illegal and are recognized neither by employers nor by the Government.

Moreover, their supply of labor exceeds the demand. To induce them to go to work, first their land was expropriated. To-day, although they number three-quarters of the population, they have only 9 per cent of the land. Half the rural Black population congregates on White farms. They contract themselves and their families to render free labor whenever called upon in return for putting up wretched hovels, rearing a limited number of stock and ploughing an acre of sterile land. Living under villeinage conditions, they are entirely at the mercy of their landlords, who maltreat, sjambok, shoot and evict them whenever they please. There is no mediator between serfs and landowners.

Conditions in the over-stocked, over-crowded, disease-ridden, unarable, dry reserves are hardly better. Half the men are constantly absent in towns to supplement their meagre incomes by their earning. Women are left to till and harvest the fields. They adhere to antiquated agricultural methods because modern farming machinery is beyond their means. Besides loosening family bonds, this further reduces the productive capacity of the soil. The reserves remain undeveloped because the intention is not to make them homes for Blacks, but merely reservoirs from which labor for farms and industries is obtainable. The influx of the dwellers therefore has serious repercussions upon the industrial labor market. Their competition drives off the permanent Black urban dwellers—the true proletarians—because, as temporary workers who are not dependent upon their wages for a livelihood, they work for lower wages under worse conditions than the urban dwellers who pay heavy rentals to municipalities for houses in locations, whose goods are confiscated for failure to remit regularly, and whose wages are generally too inadequate to meet the necessities of life.

Blacks Unable to Educate Children

In addition to the problem of part-time workers is that of Black laborers imported from outside the borders of the Union. More than 40,000 hail from Portuguese East Africa alone. Large numbers come from Rhodesia, Nyasaland, Swaziland, Bechuanaland and Basutoland. All of them glut the labor market. And it is on their low standard of living that Black wages are fixed. Hence the economic impossibility of Africans to educate their children, to acquire property, to eat nourishing food and to live in decent houses amidst healthy surroundings and hence, also, their proverbial poverty.

Yet, in spite of all this, they have a buying capacity that is reckoned in millions. They offer a large potential market for South African products. But instead of raising their wages, authorities prefer to spend money in foreign subsidies. When Blacks get into the semi-skilled and skilled spheres of labor, organised White workers resent their intrusion on the ground that they will drag down their standard of pay, and demand and obtain State protection in the form of color-bars against Blacks and differentiation in pay for the same work.

"Civilized Labor Policy"

The "Civilized Labor Policy" has been intensified since the depression. Its operations result in the replacement of Black workers by Whites in unskilled work, which hitherto was deemed to be a lowering of the prestige and beneath the dignity of the aristocratic Whites, and, therefore, a proper field for Blacks. Whites are engaged at a higher wage regardless of their economic value and regardless of the wisdom of solving unemployment among Whites by merely creating it among Blacks. The State begs, threatens, implores and bribes industries and employers by means of subsidies, protection and other privileges, to follow its line. Several have followed suit, and others are daily following the policy of substituting White for Black unskilled workers. Retrenchment, exploitation, underpayment bad, working conditions and competition against the State-protested organized White poor-whites accentuate inter-racial antagonism in the economic field.

Passes Rquired for Almost Everything

Politically, Africans do not count. Except for a bare 10,000 voters in the Cape Province, they are unenfranchised chattels. They live under Government by proclamation at the whim of a "Supreme Chief," whe arbitrarily governs them through the Native Affairs Department. There is no appeal against his despotic decisions. Innumerable repressive ordinances are passed against them and

they are taxed without representation. The operations of the pass laws hinder their free movements. For travelling, journeying from one end of a city to another, gathering wood, leaving a farm, walking abroad after curfew hours, proving the payment of a tax and a multitude of other reasons, a pass is required. Any policeman arrests an African who fails to produce a pass all in order. As the only pass-bearing section of the community, Africans resent this treatment, which further deepens inter-racial hostility.

The pick-up van activities further interfere with free movement. Police rush in vans from place to place where Africans congregate on week ends. They brutally assault and arrest all they meet. Their victims are usually charged with drunkenness or under one of the numerous statutes under which they are governed. Another practice of rounding-up unemployed Blacks, most of whom have been retrenched on account of the Government's "White labor policy," is highly resented by Blacks. Any African who is a fortnight out of work, is liable to arrest and criminal prosecution. From all these irritants other sections are free. The majority of the fore-offenders are tried in batches. Magistrates vie with each other for speed in sentencing a maximum number in the shortest time. They get Press celebrity for their celerity in sending hundreds of Blacks to prison. There they are hired out at a low rate to industrialists and farmers. This further narrows the field of free Black workers.

The scales of justice usually fall heavily upon Blacks when they are pitted against Whites. Punishments for identical crimes differ. While Blacks receive heavy sentences and exorbitant fines, Whites get suspended sentences or slight fines. Thus Africans are cynical at the impartiality of justice. They believe it is only camouflage, and miscarriages of justice further aggravate the inter-racial hostility.

Cabinet Ministers and other public men incite Whites against Blacks in many instances when they address public meetings. As a result, the social, economic and political atmosphere is charged with a spirit of race hostility. Blacks maintain that the origin of all their disabilities is poverty and political impotency. Whites justify their policy on the grounds of upholding and preserving White civilization, prestige and domination in the Union. The vicious circle continues and from all aspects the inter-racial relationship between the repressed Blacks and the Whites who are determined to maintain a discriminative color oligarchy, has reached a breaking point. The situation is revolutionary. Either a catastrophe will result or a change of policy must be undertaken. The future alone will show.

Kaspe Murderers Actuated by Patriotism, Says Japanese Detective

Mr. Eguchi, chief of the Harbin detective police, after investigating the kidnapping and murder about half a year ago, of Simon Kaspe, the young pianist, whose father, J. A. Kaspe, is the owner of the Hotel Moderne in Harbin, delivered his findings as follows:

"Having become fully acquainted with all the circumstances of the kidnapping of Simon Kaspe, I have come to the conclusion that the accused Martinov Shander and others showed ardent patriotism. The crime enacted by them is apparently an ordinary criminal act, but the motives for the crime are far from ordinary, being those of a political nature and dictated by the desire to struggle for their native land.

"The accused are perfectly sure that those guilty for the ruin of Imperial Russia, the murder of the Emperor himself and his family, are Communists and leaders of the Communist movement Jews, and, therefore, the accused decided to have revenge for their homeland, being imbued with extreme anti-Soviet and anti-Jewish feelings.

"Last year the accused plotted a considerable anti-Soviet rising on U.S.S.R. territory, and knowing that former risings had not succeeded owing to the lack of means, they decided to secure the same. However, being convinced that it was impossible to get a large sum by ordinary means, they, against their own will, decided to get money by extraordinary measures, *i. e.*, to kidnap somebody for the purpose of ransom.

"For this purpose they selected the son of Joseph Kaspe, Simon, as in their opinion the Bolsheviks during the time of the revolution had sold valuables of the Russian Empire to Joseph Kaspe, and the latter had made a huge capital out of them, working with the G.P.U., selling the valuables of the Russian crown, church plate, museum rarities and confiscated valuables belonging to private individuals.

"Thus the accused considered that Joseph Kaspe had made his money in a criminal manner and decided to take his money away from him and spend it in a struggle against the Bolsheviks. They considered that such action would enable them to commence a struggle against the Bolsheviks, and also to avenge themselves on the Jews. In their opinion, acting in this manner, they would kill two birds with one stone. However, leaving their action to the conscience of the accused, and not going

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into consideration of whether it was bad or good of them, the fact must be stated that they showed themselves staunch fighters for their native land, who considered all means good to accomplish their aim. We know of many such cases in history. These people have lost their native land, but they always remember the fact, and fight for it, even violating the law.

"The endeavors of these people, fighting for their native land may be sympathized with, but they carried out crime in Harbin, violating peace and order in the city, and as they exceeded the law of Manchoukuo which stands for peace and order in this country. I consider that notwithstanding the motives of their crime, the violation of the law cannot be left unpunished."

Japanese Women Aid Naval Attache in Spy Work

Osaka, December 13.—That military information was obtained through love affairs with more than 10 Japanese women, including wives and maidens, some of whom have high social standing, by a naval attache, aged 27, belonging to the Tokyo embassy of a certain power has allegedly been revealed as the result of the Tokyo gendarmerie's examination of the officer in question. Jealousy on the part of one of the women is said to have brought about the discovery of the case.

The women who worked against their own country had either become acquainted with the handsome and suave embassy officer in hotels, or had been employed by him as language teachers. Among them are the wife of a university professor, of a government official, and of a successful businessman.

Protected as he is by diplomatic immunity, the officer's surreptitious activities did not draw particular attention of the military police, until one of the women reported the matter to the gendarmerie. This woman, Akiko Yasuki, 30, was for some time engaged by the lieutenant to assist him in lauguage study. Akiko was greatly chagrined on learning that the man had intimate relations with a number of other women and that his intention in maintaining such relations was mainly to secure information.

Acting on the report of the woman, the secret service section of the gendarmerie commenced an inquiry and obtained evidence to show the violation of diplomatic immunity by the young naval attache. It has already been ascertained, it is said, that the lieutenant completed researches into the Japanese naval defense system, including reports on strictly secret matters pertaining to the Imperial navy and fortifications.

It has also been found that through the various women with whom he entered into intimate relations, he had personally inspected nearly all the important fortified zones on the main island, Shikoku, Kyushu, etc., gaining knowledge of their details. In addition, he had inspected various branches of ammunition industries in Tokyo and elsewhere.

Principal 'Victim'

Among a score of women exploited by the man, the more notable are:

Haruko Tanikawa, (name fictitious) 34, the wife of a certain high government official, who has been highly educated and is specially talented in foreign languages. She met the lieutenant at a certain social function one evening last June. Their acquaintance led to excessive intimacy within a few months and the woman become the faithful assistant of the man. She personally conducted him to a certain bookshop conducted by a retired naval officer and helped him to obtain the books, charts, and documents he desired.

Asake Nishizaki (name fictitious), 28, the wife of a certain university professor. Her father is the president of a leading drug manufacturing corporation and a director of a leading hotel. After graduation from a girls' college she visited America and Europe and studied languages and western etiquette. She has been married for several years. She met the lieutenant in November, 1933, and entered illicit relationship with him at the Yamagata Hotel in Azabu, Tokyo, in December of the same year. She assisted the diplomat by translating some of the secret documents.

Brings Lover to Fort Zone

Minoru Hasegawa, 27, the wife of a businessman in Tokyo, met the officer two years ago and has since then sustained illicit relations with him, helping him to obtain secret naval data. Once she conducted the lieutenant to a fortified zone on the Miura peninsula. Her husband is entirely ignorant of her intimacy with the foreigner.

Mineko Togashi, 24 is a beautiful woman who is yet unmarried. She has had the highest education a woman can get in Japan. Her advertisement last summer in an English paper in Tokyo soliciting in exchange of language lesson served as a medium to bring her and the lieutenant together. They became friends and for a while lived together in an apartment. Whenever the lieutenant made trips to Kyushu and Shikoku to inspect fortifications there, she accompanied him as his wife.

There are besides these Akiko Yasuki, 30, who assisted him, in language, and Kiseko Ashikawa, 24, a girl of doubtful character in Yokohama.

'Shanghai X27'

Another woman mentioned is Fuyuko Kadonashi, 39, a graduate of the Palmore Institute in Kobe who was living in Shanghai at the time of the Shanghai incident. At that time, the lieutenant was also in Shanghai. He did not fail to make use of Fuyuko, who was well acquainted with the affairs of the Japanese and the Chinese. Through her, he learned of the activities of the Japanese military and naval forces during the incident.

Hatsuko Tsugi, 32, a musician, is also suspected of having had intimate relations with the lieutenant, but she absolutely denies the accusation. She has helped him only in various friendly ways, she says, such as keeping his luggage at her house, etc.

Besides these women, it is claimed that there are a dozen others who fell into the snare set by the young officer and directly or indirectly helped him obtaining secret information about the Japanese naval defense system.

The lieutenant's term as a naval attache in the embassy is said to be over, but he was requested to stay for another year in recognition of his valuable service as a secret agent.—*Osaka Mainichi.*

Ambassador's Note Says French Naval Attache in Tokyo Is Not a Spy

In an official note to Koki Hirota, Foreign Minister, Fernand Pila, French Ambassador to Tokyo, Dec. 15 gave assurances that Ensign Tessier du Cros, French assistant naval attache in Tokyo, was executing his official duties, and was not a spy. In view of the French Ambassador's guarantee, and in order to clarify the circumstances underlying Ensign du Cros' case, Mr. Hirota conveyed the French envoy's wishes to the Japanese newspapers. *Rengo* says Mr. Hirota also made an official reply toM. Pila, but the nature of it was not disclosed.

Nine New Airplanes Christened at Nanking

Nine new airplanes were christened at Nanking Dec. 16. One of the machines, designed and built by Chinese engineers, was the contribution of the Chinese in Java, while the other eight, all Corsairs, were bought with the $913,022 subscribed by employees of the Peiping-Hankow, Shanghai-Nanking-Hangchow, Tientsin-Pukow, Lunghai, Chengtai, Peiping-Liaoling, Kiaotsi, Peiping-Suiyuan, Hunan-Hupeh, Taotsing, Kiukiang-Nanchang, and Chuchow-Shanokwan railways. In a speech Wang Ching-wei, president of the Executive Yuan, urged the Chinese people to follow the example of the donors and contribute funds to help the Government to strengthen the air defence of the country. The design and construction work of the locally-built machine were entirely done by Chinese engineers, according to Colonel Liu Ching-yi, Director of the Nanking aviation work-shop.

Chang Hsueh-liang Buys Swift Boeing Monoplane

A 200-mile-an-hour 10-passenger twin-engined Boeing model 247D monoplane, the most modern transport craft in China, was assembled at Lunghwa during this week and will shortly be delivered to its owner, Marshal Chang Hsueh-liang, at Hankow. This new Boeing is in a class by itself, comparable only to the Douglas which the China National Aviation Corporation is expected to receive in the spring for a Nanking-Peiping service. It has controllable pitch propellors and retractable landing-gear, a feature possessed only by the Condor among transports seen here.

Tokyo Company to Manufacture Douglas Planes

The assembly of an American Douglas plane, which has been proceeding at the Nakajima airplane works in Tokyo, under the supervision of engineers of the company, and an American test-pilot, Barton Dayers, and his assistant, was completed end of November. As the Nakajima airplane company has license rights to manufacture this allmetal plane, they will start manufacturing from next year. The first plane will be used on the regular air service between Fukuoka and Taihoku in Formosa, with the eventual intention of using Douglas machines on all air lines in Japan.

Penang Airdrome to Be Improved

The sum of $250,000 is to be spent on re-conditioning the Penang airdrome. When the airdrome is re-conditioned, Imperial Airways will once more make Penang a stopping place on the journey to and from England.

Greater Shanghai Pamphlets Describe Air Defense

The Bureau of Social Affairs of the City Government of Greater Shanghai has issued pamphlets describing the methods of preparation or construction for air defense of the city government, to the First Special District Citizens Federation for distribution to different public bodies.

Japanese War Minister Says Russia Has Mobilized 200,000 Men

General Hayashi, Minister for War, inviting the members of the negotiating committee of the House of Peers, to his official residence, recently, and informally disclosed to them the War Office estimates for the next fiscal year, In the course of his explanation the War Minister gave reasons for the expansion of the Manchurian affair expenditure in the next fiscal year, in spite of the assurances given by General Araki, his predecessor, in the Diet that this particular expenditure would become normal in that fiscal year. General Hayashi said that Soviet Russia has about ten Army Divisions, 200,000 strong, in readiness for operations against Manchukuo. These troops are amply supplied with new weapons—airoplanes and tanks especially. This situation has necessitated an increase in Japan's armaments.

Referring to bandits in Manchukuo, the War Minister said that the number, which at one time totalled 200,000, is now reduced to 50,000 or 60,000.

Mr. Sugawara, a member of the Doseikai, and others, asked the War Minister whether Soviet Russia is really contemplating the invasion of Manchukuo.

This inquiry elicited the reply that to all appearances, said country has no intention of making any positive attacks on Manchukuo. Her armaments seemed to be for providing against attacks which she fears might come from Manchukuo and Japan.

The general opinion among the Peers present was, according to *Kobe Shimbun*, that as the idea of invading Soviet territory is absolutely alien both to Japan and to Manchukuo, earnest efforts must hereafter be made to promote an understanding between Japan and Soviet Russia through diplomatic channels so that the present enormous expenditure on border armaments may be reduced.

⁂

Ambassador Ota Says Japan Must Try to Understand Russia

Tamekichi Ota, Japanese Ambassador to Russia, on his arrival in Japan recently, said in an interview :—"Having seen with my own eyes the tremendous development of the new state of Manchukuo, as one of Japan's diplomats engaged in active service abroad, I am greatly encouraged. It is true that Soviet Russia is steadily increasing her national vitality. Japan should strive to understand her, and the two countries must maintain friendly relations. I notice that the situation in Russia is becoming more settled. Four years have passed since the first five year plan was put into execution. I am told that in the second five year plan, greater emphasis is laid upon development of light industries. At the present juncture it is still premature to prophesy the outcome. In matters of ideology Stalin's idea of communism on a national basis has won out, and the earlier doctrine of communism on an international scale has been definitely undermined. Russia is fast recovering normalcy and regaining her international reputation. We Japanese must deepen our knowledge of the country and understand her."

Mr. Ota May Not Return to Russia as Ambassador

The return of Mr. Ota, the Japanese Ambassador to Soviet Russia, is purely for private reasons—to receive dental treatment,—but according to the *Asahi*, there is a fairly strong body of opinion at the Tokyo Foreign Office and elsewhere which urges that the present opportunity should be utilized to replace him.

Successful Appeal to Police to Prevent Sale by Brother

Carrying her baby in her arms and accompanied by her employer, a 20-year-old maidservant appeared at the offices of the Metropolitan Police Board recently and pleaded for help to prevent her brother from selling her into prostitution. Her appeal succeeded, and police officials reportedly made immediate intervention to protect her.

Japan Cancels Immunity for Foreign Military Language Officers

Foreign military language officers stationed in Japan will be deprived of their diplomatic status and simultaneously, of their immunity from the jurisdiction of the Japanese authorities by the terms of a notification recently issued by the Japanese Foreign Office. The action was taken on the grounds of reciprocity, a spokesman for the Foreign Office stated, inasmuch as Japanese language officers abroad are not extended diplomatic privileges.

Teachers Alleged to Have Instilled "Red" Ideas Into School Children

Four men and women primary school teachers in Kumamoto prefecture, who, in collaboration with several others, are charged with attempting to still Red thought into the minds of primary school children, were arrested Dec. 16. Several students of the Fifth Higher School in Kumamoto are also reported to have been detained on the same charge.

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The Triumvirate, Chiang, Wang, Hu, and the Unification of China

BY CHEN FU-SHENG (陳福生)

IT is an undeniable fact that unification of China has hitherto been but nominal. The central authority, though not openly repudiated, seems still weak in a number of provinces. Very recently, matters have taken a drastic turn. Gen. Chiang's investigation tour to the Northwest establishes a close relation between Nanking and the Northwest. Political bonds, as well as economic ties, are greatly strengthened. With Gen. Liu Hsiang's visiting Nanking and conferring with Nanking authorities about bandit suppression and reconstruction work, the province of Szechuen, erstwhile "in" but not "of" the National Government, has come into its fold. Through the good offices of Dr. Wang Chung-wei, prominent jurist, as mediator, the Nanking-Canton rapprochement appears to be within sight. If Canton joins the concert in Nanking and does not play her own tune, the long-expected unification of China will become a reality.

Gen. Chiang's Successful Northwestern Investigation Tour

Gen. Chiang's recent inspection tour is crowned with success. He has spent a month of time and has inspected ten North and Northwestern provinces, covering a distance of 5,000 miles. Where ever he went, he was shown hearty welcome and wholehearted support. He is said to be the first responsible Chinese official who has visited Mongolia in more than 200 years. His arrival in Mongolia is regarded as a great event, by no means dismissed with a cursory mention. Much significance is attached to the warm reception accorded Gen. Chiang by the Mongolian princes, Prince Yun, Prince Teh, etc. The oft-reported tense situation in Inner Mongolia has been considerably eased by Gen. Chiang's unexpected visit. The Generalissimo's call on Gen. Yen Hsi-shan and his aged father will go down in history with the visit to Mongolia. All clouds of suspicion entertained concerning Chiang-Yen friendship are dispelled and the relations between Taiyuan and Nanking are cemented. At present, Nanking's influence extends to no less than sixteen provinces. In other words, some sixteen provinces have been brought under Nanking's control and dictated by Nanking's will. In case the Southwestern provinces also enter Nanking government's fold, the unification of China will be an accomplished fact.

Nanking-Canton Rapprochement

The well-wishers of China naturally thirst for an early realization of the long-expected Nanking-Canton rapprochement. Torn by internecine warfare and external aggression, China is on the verge of extinction. There is no need to labor the point that the leaders of different quarters should be awake to the imminent peril of the nation, should sink personal or sectional differences and should present a united front against their common foe. That the downfall of the Sung Dynasty was attributed to discord and dissension among the powerful ministers of the Sung Empire speaks more eloquently than anything else. Prompted by a desire to save the Chinese nation, Dr. Wang Chung-hui, prominent jurist, left no stone unturned in bringing about a Canton-Nanking entente. Through his strenuous efforts of mediation, we have reason to expect Canton's joining hands with Nanking and striving for national welfare. Now that different leaders of different quarters have shown their willingness to pull together instead of pulling apart, it is really a red-letter day for China.

Cooperation of Three "Big Heads"

The three "big heads" of China, Gen. Chiang Kai-shek, Wang Ching-wei and Hu Han-min, it is hoped, will have one heart and one soul, one will and one aim, will cooperate in the spirit of "all-for-one-and-one-for-all", and will jointly assume the reins of government. Gen. Chiang Kai-shek is to be held responsible for building up strong national defense, i. e., building up a strong army, a powerful air force and a big navy, commensurate with the vast territory and the long coastline of China; while Messrs. Wang Ching-wei and Hu Han-min are to be held responsible for carrying out schemes of national reconstruction, for bringing about political reforms and educational improvements, and for rehabilitating the newly retrieved rural districts in Kiangsi and elsewhere. In a word, the three heads, we hope, will jointly take the responsibility of state affairs. If, on the other hand, any one of them stands outside Nanking, keeps himself aloof from the Nanking government and criticises the actions of the other two, people at home and abroad are under the impression that China is not a united country. Nanking officialdom cannot proceed with their duties smoothly when an elder statesman occasionally set forth his criticisms, more of carping nature than of constructive intent.

It is our earnest hope that the Nanking-Canton rapprochement will ultimately end in formation of a coalition government and that Chiang, Wang and Hu will form a triumvirate. As these three are the pillars of the nation, their cooperation will ensure national recovery and national prosperity, but their non-cooperation will spell ruin and disaster. A perusal of the political history of a European nation or Japan shows us that if a European nation or Japan meets an emergency, a coalition government is usually formed when different parties temporarily declare a truce and all participate in the government. The present situation of China has no parallel in her own history or in western history. To cope with her national crisis, she is under the necessity of forming a coalition government.

Hu Han-min's Attitude

What appears an obstacle, though not necessarily insurmountable, to the cooperation of Chiang, Wang and Hu seems to be Hu's attitude to Nanking. Mr. Hu is known to be adamant on abolition of military dictatorship and revision of foreign policy. When he demands abolition and revision, he means abolition and revision. It is said that he would not enter Nanking government's fold unless the latter abolishes military dictatorship and revises its foreign policy. Mr. Hu, as we know, is an ardent patriot, but sometimes he argues in the absolute and does not take into account the realities of situation. Mr. Hu urges a strong foreign policy. As long as China is a weak nation, how can she adopt a strong foreign policy? A strong policy must be backed by a strong force. As pointed out by W. H. Donald, a close friend of Marshal Chang Hsueh-liang, "the present foreign policy followed by the Government, though severely criticized by some observers, is definitely the only policy it can follow, no matter whether it is right or wrong." Like Thomas Jefferson, Mr. Hu defends democracy. Military dictatorship has been established for the time being in bandit-infested areas to facilitate the bandit-suppression campaign; it will, in my judgement, be abolished as soon as the campaign is concluded. The Chiang-Wang joint telegram (Nov. 27, 1934) standing for peace and advocating division of powers between the central and local governments, is conclusive evidence that neither Chiang nor Wang has the intention of instituting dictatorship in China. That Gen. Chiang would make himself dictator of China is a bogey, not a reality.

Nanking's Peaceful Mission

It is gratifying to learn that Nanking's peaceful mission, headed by Dr. Wang Chung-hui, to Hongkong and Canton has proved successful. The prospects of a Nanking-Canton entente are brighter than before; the realization of such entente seems certain. Although there is no immediate likelihood of Hu Han-min's coming to Nanking, yet Hu Han-min has come to an understanding with the leaders of Nanking. The good understanding among the leaders of different quarters may lead to the formation of a coalition government that s a hope cherished by all who wish China well.

Foochow, December 10, 1934.

Canton and Nanking Draw Closer Together

The following comment on the Chinese situation recently was sent to the "Japan Advertiser" by its Shanghai correspondent.:—

At the other end not only of the country but of the problem of unity lies Canton. To all carefull observers it seems that a great deal of genuine progress has been made in the last three months toward healing the breach which has existed in the past between the Southwest and Nanking. For one thing the personal relations between General Chiang, Chairman of the National Military Council, representing primarily Nanking, and General Chen Chi-t'ang, Commander of the First Group Army in Canton, have improved considerably. General Chen is the strong man of the South as Chiang is of the Central Government. This union is most evident in the co-operation which has gone on between the two groups in fighting communism. It was the co-operation of the Canton troops with the armies of Nanking that has driven the communists back and forced them to retreat toward Szechuan.

"Bargain Day" Wedding Movement Has Not Spread to Peiping

The Bureau of Social Welfare of the Peiping Municipal Government has denied reports to the effect that it is drafting regulations governing wedding ceremonies to be performed by the local Mayor or the Director of Social Welfare. These regulations, the first report stated, were to be modelled on those recently drafted by the Bureau of Social Welfare of Greater Shanghai, which provide that on four great days on the Chinese calendar, namely, New Year's Day, August 27, the birthday of Confucius, October 10, and November 12, the birthday of Dr. Sun Yat-sen, couples may go to the auditorium of the Government of Greater Shanghai and ask to be married by the Mayor and the Director of Social Welfare, who will act as joint witnesses. For this service each couple is to be charged $10.

Who's Who in China

Zoong-fu Wong, welfare worker; born at Soochow, Kiangsu, 1881; under the late Manchu regime he was in public service in the north and held several important posts in the field of finance; after the establishment of the Republic, he came south to enter banking and business fields; he organized the City Government's Finance Bureau of Hsuchow and the National Bank; later he was engaged in industrial enterprises and at the same time he devoted considerable time and efforts to philanthropic causes; in 1920, he became Chairman of the Anti-Kidnapping Society, which was established by a number of Shanghai's public welfare workers, including Wang I-ting, Hsu Jien-ling and others; since he took over direction of the Society, he has succeeded in developing it into quite a big institution and due to his efforts, has raised enough money to establish an Asylum for Afflicted People at Kiangwan, affiliated with the Society, which now accomodates more than a thounsand inmates, including boys, girls and adult females; he is now in entire charge of the Society and takes upon himself the responsibility to raise funds by contributions to finance its running expenses; he is well-known in Shanghai as an enthusiastic and energetic public welfare worker; address: The Anti-Kidnapping Society, North Honan Road, Shanghai.

王鳴皋號仲甫

Zoong-fu Wong (Wang Chung-fu)

王鳴皋，號仲甫，年五十三歲，江蘇吳縣人，清季宦游燕北，歷篆財政，民元南遷，創辦徐州官錢局，及國民銀行，轉入商界，經營實業，頗著聲譽，因其熱心慈善，至民國十九年，接辦徐乾麟與王一亭倡辦之中國救濟婦孺總會，推舉爲駐辦董事，銳意整理，五六年來，成績斐然，千百婦孺，衣食教養，向無基金，賴其一人，奔波募集而成，造福於留養婦孺，實匪淺鮮。

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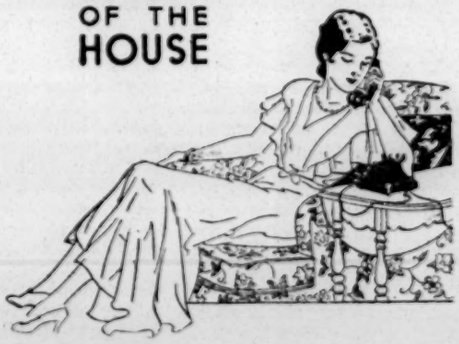

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Men and Events

Signor Lojacono, the Italian Ambassador to China, is due to arrive in Shanghai January 7. With the Ambassador are Marchesa Lojacono and their children.

A dormitory for ricsha coolies is being erected in Kashing road, Shanghai. It will have accommodation for 300 pullers. It is expected to be ready for occupancy by the Lunar New Year.

Asuncion Sian Veloso, 32, a native woman of Molo, Iloilo, Philippine Islands, was admitted to practice in the U.S. Court for China by Judge Helmick Dec. 17.

Decree absolute with custody of the child was granted Mrs. L.M.S. Beatty (nee Garratt) against William Beatty by Judge Allan G. Mossop in the British Supreme Court in Shanghai Dec. 17.

Sir Miles Lampson, high commissioner for Egypt and formerly British minister in China, was married in London Dec. 18 to Miss Jacqueline Castellani, daughter of Sir Aldo Castellani.

Socony Hill, Nanking, which figured prominently in the 1927 troubles as a refuge for foreign residents, will shortly be given its ancient name of Ssuwanshan by the Nanking authorities.

Extract from an American daily newspaper: If you see a woman carrying a baby like it was a vase you may be sure it's her first. If she carries it like it was a raincoat it is probably her fourth.

E. S. Cunningham, U.S. Consul General here, is spending the Christmas holiday in South China. He is expected back here shortly after New Year. During his absence his duties will be taken over by Monnet B. Davis.

Bishop Paul B. Misner, of St. Louis, Mo., has been appointed Vicar Apostolic in Yukiang, eastern Kiangsi Province. The Right Rev. Bernard U. Meyer, of Brooklyn, Iowa, has been appointed Prefect in Wuchow.

A new $400,000 addition to the Foo Ming Hospital, of which Dr. Tongu, a Japanese is the Superintendent, was opened in North Szechuen road, Shanghai, Dec. 16. Chinese and Japanese doctors and Chinese, Japanese and European women nurses are on the staff.

Three American Marines were taken to the Country Hospital in Shanghai Dec. 17 suffering from multiple fractures of the legs, while 24 more were on the injured list as the result of an accident which occurred when the first tender bearing the men due to leave for home collided with the transport ship *Chaumont*.

The newly-formed American Community of Shanghai has launched a membership drive. The membership fee of the new organization is $10 yearly. Military officers and enlisted men as well as Chinese or others with American citizenship are eligible. Of the 5,650 Americans in the Shanghai area, 1,100 are members of military forces and 1,034 are minors.

Dr. Walter Williams, who retired as president of the University of Missouri to resume his office of Dean of the School of Journalism, is quoted in *St. Joseph* (Mo.) *Gazette*: "If I had my 'druther', as Mark Twain said, I would 'druther' be a devil in a newspaper office than sit in the seats of the mighty, removed from journalistic activity."

Declaring that a clause restraining a man from soliciting business from customers with whom he came into contact while previously employed by another firm is so unreasonable as to be contrary to sound public policy, Judge Helmick in the U.S. Court for China Dec. 19 dismissed the action for $6,000 damages brought by Mrs. Gudrun Jensen, proprietress of the Scandinavian Trading Company, against Ragnar B. Berbon.

R. Nijihoff, third of four technical experts forming the most recent group sent to China by the League of Nations, arrived in Shanghai this week accompanied by Mrs. Nijhoff and his secretary, Mr. Geersena. Mr. Nijhoff expects to tour to various parts of China to observe development in river conservancy work. Following this tour, Mr. Nijhoff said he hopes to be able to make some definite recommendations to the N.E.C. for consideration.

The *Japan Chronicle* comments:—"The General Electric Co. of America is evidently doing a deal in Manchukuo. We learn from one Japanese contemporary that Clark H. Minor, the president of the company, has just returned to America with a Japanese decoration after an intimate conversation with noted persons of electrical and other industrial circles; and from another we learn that Dr. Irving Langmuir, also of the General Electric, is touring Manchukuo on the invitation of the Japan Association of Electrical Engineers. Is this something that the Federation of British Industries have missed?"

The Sino-British Cultural Association held its first annual meeting on December 12 at the International Club, Nanking. The Chairman, Dr. Wang Shih-chieh, in his opening speech said he felt he was voicing the sentiment of everyone of its members that they had added a successful year to the Association's life history through the combined efforts of all, and that another milestone had been added to the progress of the Association. In reviewing its work he said he was happy to recognize that the relations, so happily existing between the two great peoples of England and China, had been strengthened and enriched in many ways.

A huge quantity of raw and manufactured morphine was confiscated from a house at 2 Kwang shou Alley, off North Szechuen Road, Shanghai, and the proprietor, a Korean named Sung Sze-hao, was arrested by Japanese consular police Dec. 11.

Christmas Greetings from the Dollar Steamship Lines

The Dollar Steamship Lines and the Americen Mail Line, for which the Robert Dollar Co. are the agents, are distributing with the season's greetings and best wishes for 1935, a reproduction of a handsome water color sketch made by the artist, Dan Sayre Grosbeck in Eastern Russia. It is entitled, "Russian Peasant Girl."

Shanghai Mayor Makes Appeal for Funds for Famine Victims

An urgent appeal for famine funds has been issued by Mayor Wu Te-Chen of the Municipality of Greater Shanghai. "There are 11 provinces or a total of 369 hsiens swept by famine," Mayor Wu says in the circular. "Never in the history of China has there been a famine that affected so big a volume and so large a number of the people. People in the communist-affected areas are suffering from even more appalling conditions."

Radio Broadcast News on Board Dollar Boats at San Francisco

Station KYA of the Hearst Radio Service has originated a system of news broadcasts from the decks of arriving and departing steamers of the Dollar Steamship Lines at San Francisco. The programs go on as soon as the vessels dock from Oriental ports and at sailings fifteen minutes before they depart for the Far East. The interviews are done by Dean Maddox. A direct telephone wire to KYA from the side of the Dollar docks provides the egress into the station.

Dollar Liner "Pres. Coolidge" Brings Many Passengers to Shanghai

Among the passengers on board the Dollar luxury liner *President Coolidge*, which arrived in Shanghai, Dec. 19, were U. S. Senator Harry B. Hawes and Manuel L. Quezon, president of the Philippine Senate, who are proceeding to Manila; F. J. Raven, president of the Oriental Banking Corp., Monnett B. Davis, successor to Paul Josselyn as personal assistant to E. S. Cunningham, U. S. Consul-general, and Miss Charlotte Merriam, Hollywood movie actress. T. C. Chao, representative of the Ministry of Foreign Affairs and S. H. Tong, personal representative of Mayor Wu Teh-chen greeted Mr. Quezon on his arrival here. Mrs. John Helmick, the mother of Judge Helmick, arrived at the same time for an indefinite stay.

Chinese Appointed to Place in Customs Formerly Held by Japanese

The *China Press* says the request, said to have been sent to the Ministry of Foreign Affairs in Nanking by Akira Ariyoshi, Japanese minister, for the retention of R. Watanabe in his position of service chief accountant of the Shanghai Customs House has been turned down. The Japanese envoy's request was sent following the decision recently announced by the Ministry or Finance that Mr. Watanabe was to be transferred to Tientsin to serve as a customs commissioner. Meantime, it is reported that the Ministry of Finance has appointed Ting Kwei-tang, Chinese secretary of the Chinese Customs House, to the position left vacant by Mr. Watanabe, who remains in Japan, though his leave of absence, it was stated, has expired by now.

U. S. Consulate Given Cup by Japanese Tennis Players

The tennis players of the staff of the American Consulate-General in Shanghai are the possessors of a silver loving cup of beautiful design and workmanship recently presented to them by the Tennis Club of the Japanese Consulate-General. For the past two seasons Japanese consular officials have been playing tennis on a part of the grounds of the former American consular premises on Whangpoo Road, which adjoins the Japanese Consulate-General.

Owing to the possibility that building operations may be commenced it was found necessary to withdraw permission for its further use. The loving cup, which was given in appreciation for the use of the grounds, is inscribed as follows: "To the Tennis Fans of the American Consulate-General in appreciation of good neighborliness from the Tennis Club of the Japanese Consulate-General, October 1934."

General Minami Receives Instructions from Foreign Minister

General Jiro Minami in his capacity of Japanese ambassador to "Manchukuo" was closeted with Foreign Minister Koki Hirota Dec. 13 to receive instructions on the conduct of Japan's policies toward the new state. *Rengo* understands that among the subjects dealt with was the solution of problems that are likely to arise after the transfer of the Chinese Eastern Railway, the situation on the Japan-"Manchukuo"-Soviet border; the conduct of Japanese policies towards North China on the basis of the Tangku truce agreement concluded in 1933, and the projected reform of Japanese administrative organs in Manchuria.

Soviets Allege Torture

The Acting Soviet Consul-General at Harbin, M. Raynid, Dec. 8 handed to the Diplomatic Commissar of Manchukuo, Shih Liu-feng a note of protest against the alleged torture of a messenger named Rovenko, who was kidnapped by unknown Russians in Pristan, near his home. The protest concluded with a declaration that the responsibity for this occurrence rests fully with the respective Japan-Manchurian authorities and a demand "for a most careful investigation into all circumstances and due punishment of its actual inspirers and of their associates."

Soya Bean Exports to Europe Decrease in November

Soya bean shipments to Europe decreased by 70,000 tons in November in comparison to October figures because of a 30 to 50 per cent rise in the price of the product, according to a survey by the Manchuria Staple Produce Dealers' Association.

Bean exports to Japan, however, gained by 26,000 tons, as did bean cake shipments, which increased by 11,341 tons. Total bean cake exports also showed a gain, as did bean oil, kaoliang and rice shipments.

Large exports of millet to Korea were also reported from Yingkow.

Holy See Representative Confers With Manchukuo

Negotiations aiming at the establishment of an international mission school at Changchun are being conducted between Msgr. Caspais, Apostolic Vicar of Changchun and Kirin and the representative of the Holy See, with the Manchukuo authorities.

More Than a Thousand "Bandits" Killed

A total of 1,159 bandits has been killed in encounters with the joint Japanese-Manchurian punitive forces during September and October, according to official figures published in Changchun.

New Railway Line in Manchuria Completed

The new railway line between Peianchen, the terminus of the Peianchen-Harbin line, and Heiho, a town opposite Blagovechensk on the Sungari river, was completed Dec. 16. The construction work, which started in April, 1933, was frequently hindered as the result of attacks by bandits and floods in that area.

Mild Winter in Manchuria—Bus Crashes Through Ice

Fourteen passengers of an omnibus were drowned in the vicinity of Sansing, on the right bank of the Sungari River, Dec. 16 when the vehicle crashed through thin ice. This is one of several accidents that have happened along the Sungari this year owing to the unusually mild winter which Manchuria is experiencing. Among the dead were four Japanese.

Wife of Judge in Dairen is Found Hacked to Death

Her head and neck brutally hacked to pieces, Mrs. Kiyoko Tanaka, 53-year-old wife of Kinichi Tanaka, who is a Japanese judge of the civil department of the Dairen District Court, was found lying in a pool of blood in one of the rooms of her house by a Chinese house-to-house dealer.

Can Eyes Speak?

What a ridiculous question? The tongue is the organ of speech; eyes are but to see with. Yet, your eyes can tell you much about the inner condition of your body.

Clear, bright eyes are evidence of good health and internal cleanliness. Dull and unattractive eyes indicate the need for a few doses of Pinkettes, the remarkable little laxative pills that are so popular for their gentle yet certain action in cleansing the internal organs, and stimulating them to their duties of eliminating the waste matter from the system.

And more than clear sparkling eyes, Pinkettes will bring you a feeling of renewed good spirits, a clear complexion, sweet breath. Therefore, take Pinkettes occasionally; they keep you well; can be had at all chemists.

CUSTOMS NOTIFICATION NO. 1410

The public is hereby notified that in accordance with Government instructions ivory nuts (vegetable ivory) will from the 5th December, 1934, be subject to import duty at the same rate as copra, i. e., 10 per cent. *ad valorem*.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 13th December, 1934.

CUSTOMS NOTIFICATION No. 1412

The public is hereby notified that, in accordance with Government instructions, the interport duty on native cigarettes shipped to and from provinces in which the consolidated tax is not in force will be charged from the 8th December, 1934, at the specific rate provided in the Interport Tariff for "prepared tobacco", irrespective of whether the cigarettes are the product of a factory hitherto privileged or not.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE.
Shanghai, 15th December, 1934.

CUSTOMS NOTIFICATION No. 1413

With reference to Customs Notification No. 1408, the public is hereby notified that in accordance with Government instructions passengers proceeding from a treaty port to a treaty port *via* a foreign port may carry with them no more than fifty silver dollars.

H. O. Tong,
Superintendent of Customs.
A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 17th December, 1934.

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THE CHINA WEEKLY REVIEW
160 Ave. Edward VII.
Shanghai.

The First Five Years of Commercial Aviation Activity in China

BY DAI ENKI

* *Managing Director of the China National Aviation Corporation*

IT is generally believed by foreigners that China is one of the most backward countries in the world in the development of transportation and communication. This commonly accepted belief is based no doubt on the very small railroad mileage of China, the length of time required for mail communication and the time required to travel to various distant points in China. An atlas of the world will show that China is about the same size in area as Europe or as the United States of America and contains a population of over 400,000,000 people. The commonly accepted theory of inadequate transportation held by people the world over not familiar with economic conditions in China is based on the supposition that China is in dire need of rail transportation. In actual fact most of the provinces in China are self supporting in the production of staple foodstuffs for the masses of population. China's extensive coastline, its great rivers and their tributaries, its innumerable canals and creeks form a network of low cost water transportation serving most sections of the greatest density of population and permitting the movement of freight by the admittedly most economic means of water craft. The maintenance of these waterways also serves as protection against both drought and floods.

The construction of a network of railroads to serve this great area would require an expenditure of billions of dollars and would represent an investment of doubtful value and certainly beyond the ability of China to finance at this time. Telegraphic and radio communication are available throughout China. All China needs to supplement its waterways is a more rapid means of transportation for mail, passengers and express; a means of transport which will enable business men and Government officials to accelerate written communication and to permit these man in turn to visit various parts of China to transact business and return without too much loss of time. The construction of motor highways now rapidly being extended for the operation of busses and automobiles will provide an adequate and economical means of mass transportation. Such highways will also provide a satisfactory means for the transportation of light freight and perishable products. The combination of waterways, highways and airways will give China the best balanced and the most economical transportation system in the world.

It was fortunate for the future destiny of China that in 1929 Sun Fo acting in his capacity as Minister of Railways had the vision to realize the value of air transport for his country. In the face of possible criticism from his associates in the National Government he nevertheless took the initiative and organized the Company which is now known as China National Aviation Corporation.

The earlier pioneering efforts of China National Aviation Corporation met with the same obstacles as confronted similar enterprises in all other countries. It was necessary to secure adequate airports, to provide complete aviation weather data, to train radio and ground personnel and to meet the many problems incident to the development of a modern air transport system. The China National Aviation Corporation commenced business on July 8, 1929 and on October 20th of that year, the first Loening Amphibian took off from Lunghwa Airport (Shanghai), and the route to Hankow a distance of 516 miles, was opened, this line serving Shanghai, Nanking, Anking, Kiukiang and Hankow, thus uniting the principal commercial ports of the rich valley of the Lower Yangtse River.

On April 1931, the Shanghai-Hankow Line was extended to Ichang at the foot of the world famed gorges of the Yangtse and on October 21st of the same year the line was further extended to distant Chungking, 1600 miles by boat from Shanghai, thus covering almost the entire length of the great Yangtse River.

The commercial conquest of western China by air completed, the China National Aviation Corporation turned its attention to the north and on January 10, 1933, the Shanghai-Peiping Line was inaugurated with stops at Haichow, Tsingtao and Tientsin. The Company was encouraged to start this line by the cooperation of the present Minister of Communications, Dr. Chu Chia-hua, who provided the funds necessary to protect the Company from loss during the pioneering period of the first year. Later in 1933, on October 24th, the Shanghai-Canton Line to the south was established with stops at the important ports of Wenchow, Foochow, Amoy and Swatow. This line, just short of 1,000 miles in length serves the entire coast from the Yangtse Delta to the Pearl River, covering a territory with a population of over one hundred million people.

It was through the helpful cooperation of Minister Chu again that on November 11th, 1933, the Chungking-Chengtu Line (in Szechuan Province) was inaugurated, thereby making Chengtu, the capital of the most western and one of the richest provinces in China, within easy access of Shanghai.

Equipment and Schedules

At the present time, Loening Amphibians, with a crew of pilot and co-pilot and a seating capacity for four passengers, with a cruising speed of 90 miles per hour, are in use between Shanghai and Chungking, daily schedules each way being flown between Shanghai and Hankow, and three round trips per week between Hankow and Chungking. Stinson land planes, with pilot, co-pilot and seating capacity for four passengers with a cruising speed of 110 miles per hour, are in use between Shanghai and Peiping and also between Chungking and Chengtu, three round trips per week being flown between Shanghai and Peiping, and four round trips per week between Chungking and Chengtu. Between Shanghai and Canton, Douglas Dolphin Amphibians will be in use commencing October 15, 1934. These planes carry pilot and co-pilot and eight passengers with a cruising speed of 150 miles per hour.

Personnel

The China National Aviation Corporation takes the greatest pride in the type of men employed as pilots. Twelve pilots and twelve co-pilots are at the present time employed, eleven Americans, one German and twelve Chinese who are all especially trained man with long experience in commercial aviation. No airline in the world can boast of a finer type of pilot than those who fly for China National Aviation Corporation.

Plans for Future Improvements and Extensions

With the constantly increasing popularity of air transportation in China and the growing air-mindedness of the Chinese, which will be clearly seen from the statistical data published with this article, extensive plans are under consideration by China National Aviation Corporation to provide China with the best and most up-to-date air service available. The following is a brief outline of the improvements under consideration:

Shanghai-Hankow Line: To replace the Loening Amphibians now in use by the new Fairchild Amphibian, powered with a 700 H.P. air cooled motor. This plane will have a cruising speed of 160 miles per hour, and seating capacity for two pilots and eight passengers. The question of increasing the schedule from the present daily trip each way to two daily trips each way is also being considered.

Hankow-Chungking Line: To replace the Loening Amphibians now in use by the new Fairchilds, as described above. It is also being considered to increase the present schedule of three round trips a week to a daily trip each way.

Shanghai-Peiping Line: To replace the Stinson land planes now in use by the new Lockhead Electra, powered with two Wasp motors having a cruising speed of 200 miles per hour, and seating capacity for two pilots and ten passengers. Full consideration is being given to increase the present schedule of three round trips per week to a daily trip each way.

Chungking-Yunnan Line: At the present time while Yunnan, the capital of Yunnan Province, is accessible by rail from Indo-China the only means of direct communication between Chungking and Yunnan is by pathways winding over high mountains and deep valleys, necessitating 12 days travel by sedan chair from Chungking to Kweiyang, the capital of Kweichow Province, and a further 12 days from Kweiyang to Yunnan. It is proposed in the near future to establish an airline from Chungking to Yunnan, via Kweiyang, which will bring Kweiyang within one hour and thirty minutes of Chungking, and Yunnan an additional one hour and thirty minutes, or three hours in the air will equal 24 days of difficult surface travel.

Radio Communications

China National Aviation Corporation maintains its own Radio Communication having stations at all its scheduled stops, and at several emergency fields. At the present time the Douglas Dolphins for use on the Shanghai-Canton Line are equipped with radio for communication from the air with ground stations. Radio direction finder beacons are being installed at Shanghai and Canton. The Fairchilds and Lockheeds which China National Aviation Corporation intend to place in service on the Shanghai-Chungking and Shanghai-Peiping Lines, will also be equipped with radio and constant radio communication will therefore be maintained with all planes at all times.

The pioneering years of operation by China National Aviation Corporation were conducted at a substantial operating loss. This is the history of all aviation transportation companies in other countries and it was not expected that China National Aviation Corporation operations would be profitable during the first three years. It is interesting to note, however, that the statement of the company's oprertions for the period of the six months ending June 30, 1934, reflects a small operating profit after full depreciation charges. This record is probably unique among the great air transport companies of the world, in that China National Aviation Corporation does not receive any subsidy directly or indirectly from the National Government.

New Books of Interest in the Far East

Public Versus Private Enterprise

Review of Government Experimentation in Business, by Warren M. Persons, New York; John Wiley & Sons, Inc., 268 pages. $2.50.

There is a widespread feeling that an economic order founded on private business enterprise is so inefficient that it ought to be discarded. Idle plant, unemployed workers, revelations of dishonest business practises, and the seeming inability of our business leaders to produce and market goods at prices which will attract buyers have caused wide-spread dissatisfaction. Familiar with the defects of private business enterprise many people have been advocating a change to government ownership and operation of industry. The latter system, being less familiar, is presumed to be free from the patent defects of private capitalism.

This book is addressed to those who, seeing the mote in the eye of private business, do not perceive the beam in the eye of governmental enterprise.

Since 1789, there have been many business experiments by the state governments and the federal government in the United States. Turnpikes, canals, railroads, banks, land reclamation projects, the operation of ships, the production of electric power, and miscellaneous ventures such as flour milling and coal mining have come under governmental management. The story of these ventures, as told by Dr. Persons, is far from edifying. If experience is to be relied upon, it is not certain that better times will arrive when and if the government takes over the functions of industrial management.

"The costliness to the government and taxpayers of the experiments of the government in business" says Persons, "may justly be ascribed primarily to (*a*) political management, (*b*) bad planning, and (*c*) persistence in losing ventures. 'Political management' is a very broad category. It includes the making of appointments for personal and partizan political purposes, the fixing or reducing of prices or rates to gain political support, the location of undertakings, for the same reason, and graft." It seems to be difficult for the government to get good managers for their business enterprises. Even when the management is competent it is handicapped by the meddling of politicians, by the elaborate accounting systems necessary because of the responsibility of the manager of the public, and by the regulations that make it difficult to experiment and to abandon clearly undesirable projects. One infers that the author thinks that Adam Smith was optimistic when he said that the characteristics of the industry that is suitable for public management are the use of small capital, simplicity of operation and certainty and immediacy of returns.

In spite of the wastefulness and high cost of state managed business enterprises, it is by no means certain that a verdict against government experimentation in business is just. We rarely have the pleasant task of choosing between two systems, one clearly good and the other clearly bad. It should not be overlooked that private enterprise is also inefficient and costly. Private enterprise has made the western world materially the poorer during the past four years. It has not turned out goods at prices that consumers could afford to pay not at prices which expanded demand sufficiently to give employment to all of our laborers. The record of the government in business is not perfect, but neither is the record of private enterprise.

In reply to Dr. Person's contention that public enterprise is inefficient, it may further be argued that private business is growing progressively less workable while the evils of political meddling in governmental business can be cured. Many conservative economists regard with alarm the growth of partial monopolies. The number of manufacturing and extractive industries in which competition is imperfect seems to be increasing. Partial monopoly appears likely to increase still more in the future. Such industries quote high prices and inflexible prices. If prices are to be high and incapable of variation with business conditions, industrial depressions will probably be more severe in the future than in the past. If private business is tending to become very imperfectly competitive, and if the absence of effective competition is a fundamental cause of our severe industrial depressions, the case for private business is far from clean. It is inefficient now and it gives promise of less efficiency in the future. Considerations of this sort make it doubtful if a comparison of private and public enterprise in the past is necessarily conclusive in making judgments about the future. The fact that public undertakings have been less efficient than private business enterprises in the past by no means proves that they will be less efficient in the future. The structure of private business is changing.

The facts that Dr. Persons presents are interesting, but not conclusive. Should the American people ever have to choose between private business and governmentally operated industry, the choice will still be between "those ills we have" and "others that we know not of."

W. B. Smith.

CUSTOMS NOTIFICATION

No. 1414

TO WHOM IT MAY CONCERN.

Whereas it has been reported to me, A. C. E. Braud, Commissioner of Customs of the port of Shanghai, that the Norwegian S.S. "Hervar" has become a wreck and is, or is likely to become, an obstruction or a danger to navigation, I now give notice that any contract entered into for the salvage of the said vessel and/or for the salvage of cargo contained in the said vessel which has not first been submitted to me and been approved by me in writing shall be held to be null and void.

A. C. E. Braud,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 17th December, 1934.

To keep abreast of all developments in industry, finance, aviation, railways, highways, shipping, radio and public works in China—

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The CHINA RECONSTRUCTION & ENGINEERING REVIEW

(Editorial Offices: 31 Kiukiang Road, Shanghai)

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Economic Reform Through Water Conservation

BY WOODSON WANG (汪胡楨)

Hydraulic Engineer

Hydraulic reconstruction is directed at the increase of productivity and the elimination of disasters. Productivity may be increased by means of the improvement of irrigation system, development of water transportation, and the use of hydraulic powers. These will consequently accelerate the productivity of the cultivated land, reduce the freight of agricultural products, and stimulate manufacture. Disaster may be avoided by the prevention of flood which usually brings heavy tolls of lives and property. Viewed from whatever angle, hydraulic reconstruction plays a very important role in the development of China.

It is, undoubtedly, the lack of repairs of hydraulic works that is responsible for the present depressed state of Chinese agriculture. Every year the imports into China, especially agricultural products, reach a staggering figure.

In ancient China, irrigation systems were very well developed. Along the sea and in the lower regions of the Yangtze and Pearl Rivers, dykes were built around the fields under cultivation and sufficient water was brought by hand pumping from the rivers to irrigate the land. In the Hwang Ho and Hai Ho regions and in those places where there was less rainfall but high altitude, reservoirs and canals were built to water the land by means of gravity method. Except in times of famine and political disorder, the people were self-supporting economically. With the breakdown of the old irrigation systems and consequently the decline of agriculture productivity, and the increase of population, the problem of agricultural condition becomes therefore very acute.

That the land with proper irrigation may yield more than that without may be evidenced by our experience with the Ching Canal Irrigation Project (涇惠渠) in the Province of Shensi. The land with water yields 80 catties of cotton per mow and that without water only 30 catties. Now in the regions of the Hai Ho, Hwang Ho, and Huai Ho, the irrigation systems developed by our predecessors are practically completely demolished. Although the dykes that surround the land still exist in the regions of the Yangtze and Pearl Rivers, they are so much neglected that they become practically useless and non-serviceable. Consequently, the productivity of land is completely at the mercy of the Providence. The productivity per mow of land is far below that of any other country. Dr. Rajchman, Technical Delegate of the League, pointed out in his report to the Council of the League on the activities of the National Economic Council that the productivity per hectre of land in China is far below that in other parts of the world. Our wheat production equals only 25% of that in Denmark, rice 40% of that in Italy and 55% of that in Japan, and cotton 42% of that in Egypt. This is a strong evidence to show the rate of productivity in relation to irrigation.

Moreover, the distribution of population in China is not even. It is dense in the provinces along the seacoast and sparse in the interior. The consumption of agricultural products in the seacoast provinces is much greater than those in the interior. Under normal conditions, the surplus agricultural products should be transported to the seacoast provinces and meet their demand. But due to lack of transportation facilities both in water and on land, the agricultural products in the interior cannot be shipped to the seacoast and have to be left there to rot. The seacoast provinces have, however, to depend upon the imports from other countries. This inevitably results in the adverse balance of trade and outflow of metals to foreign countries.

As to transportation, there seems to be a trend of emphasis upon the construction of roads. Roads are useful primarily as a means to provide facilities for the transport of troops, but are far too expensive for the conveyance of commodities, especially the agricultural products which are bulky in size but cheap in price. In the interior, one will be impressed by the striking scene that the motor trucks load practically only cloth, textiles, cigarettes and other imported articles and no native goods and the direction is from the port to the interior but not vice versa. Railways in the interior are extremely scarce, and because of the heavy initial cost that is required of the railways, they cannot be built at present. Consequently, the transport of agricultural products in the interior have to depend upon the man labor, wheel-barrows, and mule carts. The rivers are mostly silted and therefore become nonserviceable. On the basis of my investigation, the cost of transportation per li for every ton of commodities is as follows :

Man labor	$0.17
Motor trucks	.15
Wheelbarrows	.096
Mule carts	.09
Light railways	.012
Railways	.01
Water transport	.006

In the light of these investigation, it is very obvious that railway and water transports are the least expensive and are therefore most suited for the trans port of agricultural products. Unfortunately, man labor, wheelbarrows and mule carts are the prevailing means of transportation in China.

On the basis of these observations, I am of the opinion that the development of water conservancy should be directed at the increase of productivity. The irrigation systems that have come down to us from our predecessors should be restored and well maintained. Channels and canals should be opened for irrigation purposes. The ancient canals should be so repaired as to make them navigable. The system of canals should be made accessible to the interior. These are the preliminary requirements for the improvement of the living conditions of the people and for the economic betterment of our country.

U.S. Reds Tempt Sailors and Soldiers

A sailor's traditional weakness for big blue eyes, soft blond curls, lisping baby talk and feminine pulchritude is being used by Communist oaganizations to undermine the morale and incite mutiny and rebellion in the U.S. Navy, it was testified in Washington Dec. 18 by Commander Kirkman of the Intelligence Department, U.S. Navy. Literature and pretty women were the chief weapons being employed by the Red organizations to take the edge from the loyalty of officer and enlisted man in the Navy; but so far all such efforts have been of little avail, Commander Kirkman stated.

Americans in Anhwei Concentrate at Wuhu

G. Atcheson, an American Consul from Nanking, has telegraphed to all Americans in the province of Anhwei to concentrate with all haste in Wuhu, where many British and Americans already have gathered. The evacuation of mission stations in the Anhwei districts over-run by Communists continues. Refugees are arriving in Wuhu from the interior under military escort.

£96,049 Remitted from Salt Revenue on Crisp Loan of 1912

Dr. H. H. Kung, Minister of Finance, announced Dec. 19 that £96,049, together with accrued interest since October 1, 1934, is being remitted to London by the chief Inspectorate of Salt Revenue to pay the 1928 instalment of principal of the Crisp Loan of 1912.

Was Fretful And Weakly

And Her Growth Was Slow Until Baby's Own Tablets Were Tried.

Now Victoria Flessing Is a Fine, Plump, Healthy Child.

Father In Siam Gives Thanks.

Mr. F. A. Flessing, who resides at 3331 Mopeth Lane, Siphya Road, Bangkok, is so gratified with the great benefits his little daughter Victoria has derived from Baby's Own Tablets, that he sends details of the child's case for publication in the interests of other parents with delicate children

"My child Victoria, when about 5 years old, suffered a lot from constipation. She lacked appetite, her growth was slow and she was very fretful and weakly.

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Shanghai, Dec. 19, 1934

Demand selling rate on America:	U.S.$1.00=Sh. $ 2.98
Demand buying rate on America:	U.S.$1.00=Sh. $ 2.93
Demand selling rate on London:	£1.0.0=Sh. $14.71
Demand buying rate on London:	£1.0.0=Sh. $14.38

Latest New York Stock Exchange Quotations

December 19, 1934
Business Done:
Total Volume:- 820,000 Shares

1933-34 High	1933-34 Low	Div. $ per sh.	STOCKS	Last Sale Dec. 17	Last Sale Dec. 18
113	47½	3.00	Air Reduction	109¼	109½
33	11⅛	1.20	Alaska Juneau	18⅝	19
160¾	70¾	6.00	Allied Chemical	132¾	132⅞
26⅝	6	—	Allis Chalmers	15⅛	15
42½	9¼	0.80	Am. Brake Shoe & Fdry.	24	25⅝
107⅝	49½	4.00	American Can	106½	107⅝
89⅞	13	—	Amer. Comml. Alcohol	32	32
22½	3¼	0.25	Amer. Cyanamid "B"	15⅝	15½
19⅝	3⅞	—	American & For. Power	4½	4½
39⅛	5⅞	—	American Locomotive	17½	17
19	4⅝	—	American Radiator	15⅛	15⅛
53½	10¾	—	American Smelting	37¼	37
134⅝	86½	9.00	American Tel. & Tel.	105¾	105⅞
94⅝	50⅜	5.00	American Tobacco "B"	83	82⅝
43¼	10⅞	1.00	American Waterworks	14⅜	14¼
22⅞	5	—	Anaconda Copper	11½	11⅝
25¼	12⅝	1.00	Atlantic Refining	23⅞	23⅞
84½	16⅞	—	Auburn	24⅞	25⅞
37⅞	8¼	—	Baltimore & Ohio	14⅛	14⅛
49½	10⅝	—	Bethlehem Steel	30¼	30½
11	6⅜	—	Boeing Airplane Co.,	10	9⅝
29⅝	5½	1.00	Borg Warner	28¼	28⅝
20⅞	7½	—	Canadian Pacific Railway	11½	11⅝
103½	30½	—	Case, J. I.	52½	11⅝
40⅝	15⅞	1.40	Chase National Bank	22¾	21⅝
52½	14⅞	2.50	Chesapeake Corporation	43¼	43⅜
60⅝	7⅝	1.00	Chrysler	39	38⅝
28¼	7⅛	—	Columbia Gas & Electric	7⅝	7½
57¼	9	0.60	Coml. Solvents	21⅝	21½
6½	1	—	Commonwealth & Southern (ord.)	1¼	1⅛
64½	22	2.00	Consolidated Gas of N. Y.	22⅝	22½
64½	23¾	2.40	Continental Can	60⅜	61⅝
23¾	4⅞	1.00	Continental Oil	17¾	17⅞
90⅝	45⅝	3.00	Corn Products	62¼	63
9⅞	2	—	Coty Inc.	5⅜	5⅞
28½	10¼	—	Douglas Aircraft	23½	23¼
103⅞	32½	2.60	Du Pont de Nemours	93½	93⅝
116½	46	4.00	Eastman Kodak	108½	109¾
31⅝	10	—	Electric Auto Lite	26	26¼
41⅝	7⅝	—	Electric Bond & Share	7⅝	7⅝
19	8¼	—	Fox Film "A"	13¼	13¼
50⅜	16¼	2.00	Freeport Texas	24½	24½
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30¾	10½	0.60	General Electric	19⅜	19⅜
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81½	15	3.00	Hercules Power Co.	72	73½
50⅝	7½	—	Illinois Central	16⅜	16⅜
40	6¼	—	International Cement	28½	27⅝
46⅞	13¼	0.60	International Harvester	38¼	38
29¼	8⅜	0.60	International Nickel	22⅞	22¾
21⅜	5¼	—	International Tel. & Tel.	8½	8⅝
66⅜	12¼	—	Johns Manville	51⅞	52¼
26	7⅜	0.60	Kennecott	17¼	17
110	49	4.00	Liggett & Myers "B"	103½	104⅜
37¼	8¼	1.00	Loew's Inc.	35⅞	36
25¼	10⅜	1.20	Lorillard	19¾	20
35⅜	8⅜	—	Montgomery Ward	28⅞	29
43	16⅞	1.00	National City Bank	20⅝	19⅞
33¼	16½	—	National Distillers	27¼	27
53½	14	—	New York Central	21¼	21
36½	10¾	1.00	North American	13	13¼
96⅜	31½	4.00	Owens Illionois Glass	83¾	83½
31⅞	13¼	1.50	Pacific Gas & Electric	14½	14⅝
43⅜	21½	3.00	Pacific Lighting	22	22½
6⅞	1⅝	—	Packard Motors	4⅜	4⅝
42½	13⅜	1.00	Pennsylvania Railroad	24¼	24
20¾	4⅜	1.00	Phillips Petroleum	14¼	14¼
12⅛	3	—	Radio Corporation	5¼	5⅛
54¼	26½	3.00	Reynolds Tobacco "B"	50	50
51⅜	12⅞	—	Sears Roebuck	40	39⅝
19⅞	6	0.60	Socony-Vacuum	14	14⅛
28	10¼	1.50	Southern California Edison	11⅜	11⅜
22½	5	—	Standard Gas & Electric	5½	4⅝
50⅛	22⅜	1.00	Standard Oil Co. of N. J.	40⅞	41¼
66¼	45⅜	3.80	Sterling Products	58⅝	58⅝
30¼	10⅜	1.00	Texas Corporation	19⅜	19⅜
9⅜	2⅝	.12½	Transamerica	5⅝	5⅝
51⅞	19⅜	1.40	Union Carbide & Carbon	46	46⅝
133⅞	61⅜	6.00	Union Pacific	106¾	107
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14½	2⅞	—	United Corporation	3	2⅞
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